

DOCUMENTS DEPT.
SAN FRANCISCO
PUBLIC LIBRARY

CLOSED
STACKS

GOVERNMENT INFORMATION CENTER
SAN FRANCISCO PUBLIC LIBRARY

DOCUMENTS DEPARTMENT

SAN FRANCISCO PUBLIC LIBRARY



3 1223 03476 6999

B5
7-17

332.3
SAS 27m
JAN-JUNE
1977

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF JANUARY 1977

DOCUMENTS
JAN 25 1977
SAN FRANCISCO
PUBLIC LIBRARY

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of January 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, President
Dr. Hannibal Williams, Vice President
Dian Blomquist
Alan E. Rothenberg
Joan-Marie Shelley
Howard M. Wexler

and the following was absent:

James A. Silva

The President declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Charles Stuhr, Florencio Buted, Jovita Buted, Gabriella Tambio, Tom Gage, A. Bautista, V. R. Delano, R. Z. Delano, L. Mazon, F. Geraspe, Herman N. Wiggan, Bill Maher, Nestor Gallico, Mel Guillermo, Dr. Steven Sadang, E. Galicia, A. Ruiz, Wayne Alba, and H. Marte-Bautista, Pacific Trade Center; Fred Leuenberger, representing the w. B. Dickman Construction Company; John Hartang, Whisler/Patri; and Jerry Percy, Robert Reilly, and William Murdoch, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; Dan Borsuk, San Francisco Progress; Alex A. Esclamado, Philippine News; and Pamela Young, KQED TV Channel 9.

SPECIAL APPEARANCES

(a) Election of officers

President Kaplan indicated that at the request of Mayor George Moscone he would continue to serve on the Agency until replaced, however he would not accept a nomination as President for personal reasons.

President Kaplan indicated that the Agency's By-Laws required that an annual election of officers be held at the last regular meeting of the year or the first meeting of a new year. He then opened the meeting for nominations.

Ms. Shelley nominated Mr. Wexler for the office of President, and Ms. Blomquist seconded the nomination. Mr. Wexler was unanimously elected President of the Agency for the year of January 1, 1977 to December 31, 1977.

Mr. Rothenberg nominated Ms. Shelley for the office of Vice President, and Ms. Blomquist seconded the nomination. Ms. Shelley was unanimously elected Vice President.

SPECIAL APPEARANCES (continued)

Mr. Rothenberg nominated Mrs. Helen L. Sause for the office of Secretary, and Mr. Kaplan seconded the nomination. Mrs. Sause was unanimously elected Secretary.

The Members unanimously reaffirmed Mr. Wilbur W. Hamilton as Acting Executive Director and Mr. Wes Willoughby as Treasurer of the Agency.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) Construction has started in Hunters Point Phase II Sites A and B. Site A is the 145-unit LaSalle Apartments -costing \$5,830,000, and the 156-unit Shoreview Apartments costing \$6,065,500.
- (b) Construction has also commenced on the Morgan McCormick India Basin Industrial Park site, as scheduled.
- (c) The swearing-in ceremony was held Monday for the new Chief Administrative Officer Roger Boas, who has indicated that he will make Yerba Buena Center a high priority item. Mr. Hamilton indicated staff would soon be meeting with him to develop a program for getting the project under way.


UNFINISHED BUSINESS

- (a) Consideration of extension of time to submit evidence of financing for the Pacific Trade Center Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

This item was held over from a previous meeting and concerns a request for an extension of time in order to submit evidence of equity capital and mortgage financing. Ms. Shelley indicated she would be interested in hearing any testimony on new developments in the matter. Mr. Hamilton indicated that he had nothing new to report. The marketing staff has been in contact with the Pacific Trade Center (PTC) representatives and there is apparently no significant change from the last meeting. A number of inquiries and letters in support of the extension have been received and copies have been sent to the Members. President Wexler inquired if anyone present wished to speak for or against the extension, and three people indicated interest. President Wexler indicated a five-minute time limit for the speakers.

Mr. Herman Wiggan, representing the Burbank based firm of Baltau and Whalley, came forward and indicated that he was the San Francisco representative for the firm which had been in contact with the PTC group on mortgage financing. He indicated that he had received a call from the firm's president in Burbank requesting that he appear and advise those concerned that his firm was in a position to give the PTC a commitment of the money sufficient to pay off the existing creditors and secure financing. If PTC receives a 30-day extension it can secure funding.

President Wexler inquired what the dollar amount was and Mr. Wiggan replied that the initial commitment would be \$1.3 million. Mr. Rothenberg inquired if a commitment was available for the total \$32 million construction cost of the project, and Mr. Wiggan indicated that this was funding to enable the group to begin securing construction financing. In response to Mr. Rothenberg's further



Digitized by the Internet Archive
in 2012 with funding from
California State Library Califa/LSTA Grant

<http://archive.org/details/35minutesregular1977sanf>

UNFINISHED BUSINESS (continued)

inquiries about provision of development costs and equity funding, Mr. Wiggan indicated that at this point his firm would later seek mortgage financing. Mr. Rothenberg inquired about the type of institution intended to provide the funds and Mr. Wiggan replied that he was not at liberty to disclose the source at present, but the funds would be from a business firm, such as an insurance company. Mr. Rothenberg questioned Mr. Wiggan further in regard to the \$1.3 million and Mr. Wiggan indicated that this was intended as "start-up" money to get the project in a condition to seek long-term mortgage financing. In response to Mr. Rothenberg's inquiry about how long it would be before the mortgage financing was available, Mr. Wiggan indicated he did not know at this time. Mr. Rothenberg asked if the funds would be given to the contractor, W. B. Dickman Construction Company, and Mr. Wiggan indicated they would be given to the contractor who would be handling the project and he did not know if it would be Dickman or not.

Mr. Rothenberg also inquired about the basis on which the firm's investors had decided to make the loan and Mr. Wiggan indicated that it would be a third joint-venture partner with PTC and its contractor.

Ms. Shelley then requested clarification of the group which would be granted an extension, and Mr. Wiggan indicated that since he was not present at previous meetings he was not knowledgeable on this. Ms. Shelley indicated that when the matter had been considered three weeks earlier, a joint venture of the W. B. Dickman Construction Company and the PTC had requested an extension. Mr. Quintin McMahon, Director of Real Estate, Marketing and Business Development, indicated that the proposal received by the Agency calls for a substitution of Dickman for the W. C. Haas Construction Company and if a third party is to be included further documentation would be needed.

President Wexler indicated that if an extension were granted it could not include the unknown third party and inquired as to the composition of the joint venture. Mr. Charles Stuhr, representing the PTC, indicated that a representative of Baltau and Whalley of Los Angeles had contacted him just prior to the meeting. There was, however, a binding joint-venture between the PTC and the W. B. Dickman Construction Company contingent only on the extension of time. He indicated that the Baltau representative indicated his firm would provide interim financing of \$1.3 million which would enable payment to creditors among whom were the Whisler/Patri architectural firm and the attorneys. Mr. Stuhr indicated his confidence was in Dickman and he had had no opportunity to discuss the offer from Baltau with the PTC.

Mr. John Hartang, attorney for Whisler/Patri, came forward and indicated that the architects with their mechanical and structural engineers had prepared the plans for the project and had cooperated fully with the PTC and wanted to see that the project moved forward. However, he noted that if the \$120,000 security deposit was refunded and the project not proceed, the firm wished payment for its work. He indicated that at the previous meeting Mr. Stuhr had indicated that the deposit could be waived and that the creditors had objections to any forfeiture of the deposit. He also indicated that the creditors had lost some faith in the project since they have received no assurances from Dickman that the creditors would be paid if he were part of the joint venture. Mr. Hartang reiterated that the architects did not want the project to fail but feared that the presentation from Mr. Wiggan was just one more optimistic and unrealistic proposal. He believed, however, that if there was something to be gained from a short extension it should be granted to see if the proposal were feasible.

Mr. Fred Leuenberger, representing the W. B. Dickman Construction Company, came

UNFINISHED BUSINESS (continued)

forward and indicated that he was willing to answer any questions concerning Mr. Dickman's ability and capacity financially to go forward. Mr. Kaplan inquired if Mr. Dickman had put any of his own money into the project, and Mr. Leuenberger replied affirmatively indicating that a substantial investment had been made. He indicated his disappointment in the Whisler/Patri complaint since the firm had already received \$118,000 and could be reimbursed from the construction funds and take-out loan. He indicated that if the extension were granted the Dickman company was prepared to expend \$50,000 to ascertain possible sources of take-out financing. Mr. Leuenberger believed that Dickman would review the plans for their potential use but that the PTC people should pay the architects since they had retained them. He also stressed that Mr. Dickman needed at least eight months to investigate the feasibility of the project and that a 30- to 60-day extension was insufficient. The project was \$32 million and it required time to finance. There was some indication that the Agency was considering dividing the parcel into three or four sites, but Mr. Leuenberger stressed his opinion that the parcel should be developed in one piece and that it would be a fine tribute to San Francisco. President Wexler inquired if Mr. Dickman was committed to going forward with the present plans, and Mr. Leuenberger answered negatively indicating, however, that discussions would follow with the architectural firm as to whether their plans would be utilized. He noted that the plans appeared to represent an excellent starting point.

Dr. Williams indicated that he wished to help community minority groups carry out constructive efforts like the PTC but expressed concern for the number of creditors who had an investment in the PTC. He asked Mr. Leuenberger whether Mr. Dickman would reimburse the PTC creditors and requested a clear answer as to whether they would be paid. Mr. Leuenberger indicated that the agreement between the Dickman firm and the PTC stated that Dickman would not be responsible for any creditors, however the PTC group had deposited \$120,000 which could be used to pay creditors and that is their intention. The agreement also provides that in the event construction loans are obtained then creditors such as the architects who worked for the benefit of the project would be paid in full, as well as those who did the feasibility study work. The expense of the attorneys who formed the PTC corporation, however, should be borne by that group. He indicated that he knew of no other creditors. Mr. Rothenberg inquired if Mr. Dickman had talked with the Baltau firm and Mr. Leuenberger answered negatively noting that Mr. Dickman had adequate resources and he did not believe he would be interested in the offer. Mr. Rothenberg noted that the \$1.3 million offer was unusual, particularly since there had been no communication with the PTC or Dickman, and Mr. Leuenberger agreed but acknowledged that it could be valid.

Mr. Kaplan inquired about the length of the extension and Mr. Leuenberger replied that an extension to September had been requested and this now comprised an eight-months' period.

MOTION: It was moved by Mr. Kaplan that an eight months' extension be granted to the Pacific Trade Center group. In response to President Wexler's inquiry, Mr. Kaplan indicated his willingness to hold this motion while further discussion occurred.

In response to Mr. Rothenberg's inquiry, Mr. Hamilton indicated that the introduction of a new entity would require further evaluation by the staff. If an extension were granted for eight months it would mean that this evaluation could proceed concurrently with the group's efforts to secure financing but it was

UNFINISHED BUSINESS (continued)

recommended that an extension of only six months be granted with a 60-day default notice to be issued at the end of that time.

MOTION: It was moved by Mr. Kaplan, seconded by Dr. Williams, that an extension of eight months be granted to the Pacific Trade Center.

President Wexler inquired if Mr. Kaplan and Dr. Williams would agree to an amendment to substitute a six-months' period for the eight months proposed in their motion. Ms. Shelley inquired about parliamentary procedure since she had moved a six-months' extension at the Agency meeting of December 14, 1976, but President Wexler indicated that since this motion was made at a preceding meeting the form for reconsideration as specified in Robert's Rules of Order was unnecessary to apply.

MOTION: It was moved by Mr. Kaplan, seconded by Dr. Williams, that the extension of six months be granted to the Pacific Trade Center for provision of equity and mortgage financing, Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

Mr. Rothenberg indicated his belief that the Agency made an error three years previously in granting developer rights to the PTC group because they were not equipped to take on the responsibilities of a \$32 million project. He noted that now the PTC has spent one percent of the money necessary to finance the project and is no further along. He expressed his concern that the Agency would be doing the group a greater disservice by again encouraging them to carry a project which may be beyond their resources to develop. He indicated his appreciation for the Balfour proposal but expressed the belief that this would be of no help. He was also concerned that six months from now the PTC would have expended more funds and would still be in the same position. He believed that the Agency had a responsibility to the City to find a developer for the site who could expeditiously develop it so the City could receive a return from the property taxes. He stressed his belief that the extension should not be granted because PTC lacked the ability to move the project ahead and indicated that the Members may be acting in an effort to aid some well intentioned people while actually doing them a disservice.

Ms. Shelley indicated that she shared Mr. Rothenberg's concerns but believed the PTC could determine their own best interest. If they want to pursue the matter she did not want to tell them what to do. As to the possible detriment to the interest of the City she recalled the point made previously by Mr. Kaplan that when the site was offered no other developers had evidenced any interest. In response to Mr. Rothenberg's concerns, Mr. Kaplan also indicated that at the time of the original proposal the Members understood the position of the PTC and that the W. C. Haas Construction Company's president had guaranteed the Members that the firm would secure the financing; however, in the meantime it appears that they have abandoned the development without the Members' knowledge. He indicated that the Agency's concerns were with Mr. Haas who backed down. Mr. Kaplan noted that now Mr. Dickman was in the position of aiding the group. Dr. Williams urged that the vote be unanimous because the Filipinos could be assumed to make adult decisions and judgments.

Mr. Rothenberg inquired if Mr. Kaplan would accept an amendment to his motion specifying that this was the final extension to be granted the PTC and after which the PTC would be given a 60-day notice of default and then terminated if they did not provide the necessary financing.

UNFINISHED BUSINESS (continued)

President Wexler indicated that the motion would then be amended to grant a six-months' extension and after the default period there would be no further extensions. He inquired if Mr. Kaplan and Dr. Williams would accept this amendment.

Dr. Williams responded negatively noting that there was no precedent for this, and he was unwilling to hold the PTC to such a provision. President Wexler inquired of the PTC if a nonrenewable six-months' extension would be acceptable to the PTC without a substantial indication of the availability of financing. Mr. Leuenberger indicated that the matter was under the complete control of the Agency and if it believed there was any dereliction then the group could be terminated, but he indicated it would not be wise to preclude something unforeseen developing. Both Messrs. Leuenberger and Stuhr indicated acceptance of the six-months' extension to be followed by a 60-day default period. President Wexler inquired if the W.B. Dickman Construction Company should be identified in the motion granting the extension, and Mr. Hamilton suggested that no action should be taken since the W. B. Dickman Construction Company had not signed a joint-venture agreement. Mr. Rothenberg expressed the belief that the Members' desire to extend the agreement was based upon the potential aid Dickman would provide the PTC to accomplish its goal. Mr. McMahon indicated that the Members would be voting on a six-months' extension of submission of evidence of financing and equity capital by the joint venture of the PTC and the W.C. Haas Construction Company and that the assignment of the interest of Haas to Dickman as contemplated and required the Members' and the Department of Housing and Urban Development (HUD) approval. He noted that these approvals could be obtained concurrently with the efforts to secure financing. President Wexler inquired about the time to complete this process, and Mr. McMahon indicated it would depend upon submission of the necessary documents but would require 30 to 60 days. Dr. Williams indicated that the PTC should have the opportunity to arrange its affairs. Mr. Kaplan indicated his willingness to amend his motion to make it subject to the dissolution of the joint venture with the W. C. Haas Construction Company and formation of a new joint venture with the W. B. Dickman Construction Company.

MOTION: It was moved by Mr. Kaplan, seconded by Dr. Williams, that a six-months' extension, to be followed by a two months' notice of default, be granted to the Pacific Trade Center, with the provision that a new joint venture be formed with the W. B. Dickman Construction Company from the W. C. Haas Construction Company for Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

Dr. Williams asked if the PTC wished to tie itself to Dickman and Mrs. Jovita Buted and Mr. Alex Esclamado came forward to respond. Mr. Esclamado indicated that originally there had been conflict in the community about the project but now everyone was in favor of having it saved. He stressed that the Filipino-American community is vitally interested in the completion of this project as a symbol of progress made by the Filipino-Americans. In response to President Wexler's inquiry if binding the PTC to Dickman was acceptable to the PTC, Mr. Esclamado indicated that he could not speak for the PTC but noted that the community would not want to be tied to one contractor. He also suggested that time was needed to reorganize and asked that the PTC be given enough time to work things out. The Filipino-American community should help the PTC do this, and Mr. Esclamado believed that there was sufficient strength in the community to get the project under way.

UNFINISHED BUSINESS (continued)

Mrs. Buted indicated that she was the President of the PTC and that she would like the Members to give the group six months. It was her understanding that at the last meeting the joint venture had already been transferred from Haas to Dickman. She also noted that three years ago when the group was designated as developer, money was very tight and many developments had difficulty in securing financing. She indicated that Dickman would help the PTC with the financing and this had already been agreed to. President Wexler advised the PTC will still have to go through the process of dissolving the joint venture with Haas and reforming an agreement with Dickman. He inquired if it was acceptable to the PTC to work exclusively with Dickman, and Mrs. Buted replied affirmatively. Dr. Williams indicated he believed he had received contradictory responses but indicated that his desire was to see the project go ahead and he would accede to the PTC's wishes. A member of the PTC came forward and indicated that Mr. Esclamado was offering another option but the PTC group had decided to proceed with Dickman and could manage its affairs. Dr. Williams indicated that the Members understood the intent and would serve the exact wishes of the PTC provided they understood that they would be bound to the Dickman firm, and the representative concurred in this point.

Dr. Steven Sadang came forward and indicated that he had worked on financing of the project since its inception and indicated there was another contractor who was ready to build the project in his letter of September 1976. He suggested that the Members extend the time and he would resubmit the project proposal again.

Ms. Shelley proposed an amendment to the amendment of the motion on the floor. President Wexler indicated that a two-thirds vote was required for such action.

MOTION: It was moved by Ms. Shelley that the extension be granted to the PTC subject to the dissolution of the existing joint venture agreement between the PTC and the firm of W. C. Haas Construction Company and an unspecified joint venture developer. The motion died for want of a second.

President Wexler put the question to vote.

MOTION: It was moved by Mr. Kaplan, seconded by Dr. Williams, that an extension of time be granted for a six-months' period to permit submission of evidence of equity capital and mortgage financing, with a two-months' default period to follow with the provision that the Pacific Trade Center is to reconstruct its joint venture entity by dissolving the existing agreement with the W. C. Haas Construction Company and reforming a joint venture agreement with the W. B. Dickman Construction Company for Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2; and on roll call the following voted "Aye":

President Wexler
Ms. Shelley
Mr. Kaplan
Dr. Williams

and the following voted "Nay":

Ms. Blomquist
Mr. Rothenberg

UNFINISHED BUSINESS (continued)

and the following abstained:

None

The President thereupon declared that the motion carried.

NEW BUSINESS

- (a) **Resolution No. 4-77** awarding House Moving Contract No. 2, Western Addition Approved Redevelopment Project Area A-2, Calif. R-54, to Coast House Movers, on the basis of low bid received, and authorizing the Executive Director to execute same.

This concerns award of a house moving contract to Coast House Movers, Inc. for \$59,327 to move three buildings and perform related activities including turning off street lights, disrupting and reconnecting Pacific Gas and Electric Company services and Municipal Railway power lines, and substituting buses for trackless trolleys. The move involves 1419 Webster and two buildings from the corner of Franklin and Turk Streets to the Victorian Square located at Sutter and Fillmore

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- b Consideration of consultant selection for the Imperial Hotel, Yerba Buena Center Approved Redevelopment Project Area.

This was held over from a previous meeting and concerns consideration of firms submitting proposals to determine requirements necessary for reoccupancy of the Imperial Hotel at 140 Fourth Street in the Yerba Buena Center project. The proposals from the six firms expressing interest range from \$7,200 to \$20,000. An estimate has been received from the Bureau of Building Inspection that an expenditure of \$152,000 would be necessary to make the hotel suitable for occupancy.

MOTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, that all the consultant proposals be rejected.

Dr. Williams inquired what action would follow if consultant selection was rejected and Ms. Blomquist suggested the building would be left as is for the time being. Mr. Hamilton recommended that the building be advertised for demolition and Dr. Williams agreed with this direction. In response to President Wexler's inquiry, Ms. Blomquist indicated she did not wish to expend over \$7,000 on a building that would later be torn down and would like to explore other means of utilizing the building on a short-term basis. Mr. Rothenberg inquired if Ms. Blomquist thought that a user could be found for the building who had control over the occupants, such as the Sheriff's Department, and would also pay for the work to be done, and she answered affirmatively asking that the bids be rejected at this time. President Wexler indicated that consideration of the consultant proposals and the disposition of the building be considered separately.

MOTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that all consultant proposals for analyzing reoccupancy of the Imperial Hotel in Yerba Buena Center be rejected.

MOTION: It was moved by Dr. Williams, seconded by Mr. Kaplan, that the staff be authorized to advertise for bids for demolition on the Imperial Hotel Yerba Buena Center.

NEW BUSINESS (continued)

Dr. Williams indicated his respect for his fellow commissioners and shared their concern for making use of resources and preserving buildings that may have some utility, sentimental, or historical value but based upon his experience of having lived for 18 years in the Western Addition A-2 he had frequently seen buildings vandalized that had been left standing unoccupied. He stressed the cost to the Agency to try and prevent vandalizing. He noted that vandalism was impossible to prevent and cited instances of arson. It was also his belief that nothing could be housed in this hotel and urged that it be demolished quickly.

Mr. Kaplan suggested if the building was cleared and the site used for a parking lot that some income would be derived since it was financially infeasible to bring the hotel up to code. Ms. Shelley suggested that the matter be held over.

Ms. Blomquist indicated that she needed a month's time to evaluate the possibility of utilization of the building. Mr. Rothenberg indicated his belief that there was merit in waiting to permit Ms. Blomquist to ascertain if there was interest in the use of the facility. Mr. Kaplan indicated that Ms. Blomquist had had four months to develop an alternative proposal. He believed it was now time to tear the building down.

MOTION: It was moved by Ms. Shelley, seconded by Mr. Rothenberg, that consideration of authorization to advertise for demolition bids of the Imperial Hotel at 140 Fourth Street in the Yerba Buena Center project be tabled.

Ms. Blomquist indicated that she would have an answer in a month. Mr. Hamilton noted that the matter of vandalism was a real one according to a report which was just received by staff indicating that all the light fixtures had been removed and all the radiators had been disconnected and removed. Dr. Williams expressed concern that there was a schism on the board and stressed that he did not oppose his fellow commissioners on a reasonable proposition but feared they were voting on ideological lines which would be injurious to the City. He believed the building was useless, dangerous, and expensive to repair and questioned the advisability of delaying the matter for one month and further inviting disaster.

President Wexler indicated that the Members were concerned with getting the site developed and indicated that a notice of default had been sent to the developer. He inquired if the developer was scheduled to appear, and Mr. Hamilton answered negatively. Mr. Kaplan indicated that he had until February 1, 1977 to cure his default. Dr. Williams stressed that he had agreed with the other Members in considering a delay but that he believed that reasonable time for making a decision had passed. He noted his belief that one should remain open-minded on everything. President Wexler indicated that the motion to table had priority. He also indicated that the matter require a two-thirds vote.

MOTION: It was moved by Ms. Shelley, seconded by Mr. Rothenberg, that the authorization for staff to advertise the Imperial Hotel in the Yerba Buena Center Approved Redevelopment Project be tabled until February 1, 1977, and on roll call the following voted "Aye":

President Wexler
Dian Blomquist
Mr. Rothenberg
Ms. Shelley

and the following voted "Nay":

NEW BUSINESS (continued)

Mr. Kaplan
Dr. Williams

and the following abstained:

None

The President thereupon declared the motion carried.

Dr. Williams noted receipt of a letter from the Board of Supervisors indicating concern about the possibility the Members would expend additional public funds to permit reoccupancy of the Imperial Hotel and he indicated that the Board believed that the building should not be retained. He suggested that there was some interest among the Supervisors in administering the Agency and contentious Members were inviting this prospect.

- (c) Resolution No. 2-77 approving and authorizing the Executive Director to execute a purchase offer with the Dalton Construction Company in connection with the Hunters Point Redevelopment Project for an amount not to exceed \$1,200.

This concerns a purchase order to Dalton Construction for \$1,200 for cutting and capping the existing gas lines at four locations in the Phase III area of Hunters Point. This work is the responsibility of the Agency and is beyond the capability of the Agency maintenance crew. President Wexler inquired if the contract would be subject to increase if some lines were found to be located in a different place, and Mr. Hamilton replied that the contract price included searching and locating the lines.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 3-77 authorizing execution of agreement for services with Fullerton-Mills, Inc., Bayview-North Feasibility Study.

This concerns a contract for services covering an economic feasibility study of the Bayview-North area for redevelopment purposes by Fullerton-Mills, Inc. to be completed within 90 days from the notice to proceed. The study would determine the feasibility of the potential development of retail or commercial uses, including rehabilitation of housing, and the steps necessary to bring the project closer to being. The area was designated as a survey area by the Board of Supervisors. Mr. Rothenberg questioned why this work could not be done in-house, and Mr. Hamilton indicated that there was not sufficient workload to justify establishing a position for work of this specialized nature.

ADOPTION: It was moved by Mr. Rothenberg, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 1-77 approving form of contract for bond counsel legal services required in connection with the financing of residential rehabilitation under the Marks-Foran Act of 1973 and residential construction under Senate Bill 99, Chapter 48, Statutes of 1975, and authorizing execution thereof, Hunters Point, Western Addition A-2, and Yerba Buena Center Approved Redevelopment Project Areas.

President Wexler indicated that this item would be held off calendar at the request of staff.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration of insurance requirements on the contract for security guard service.

This concerns public liability insurance coverage of the security guard service contract with Cal State Patrol, Inc.. The firm secured insurance with \$500,000 coverage but their contract requires an increase to \$1 million. The guard firm advised that it is unable to obtain insurance for this amount without a deficit. Staff has evaluated the matter and recommends that \$500,000 coverage be accepted and the contract changed to reflect a waiver of the \$1 million insurance coverage requirement.

MOTION: It was moved by Mr. Kaplan, seconded by Dr. Williams, and unanimously carried that the public liability insurance coverage requirement for the Cal State Patrol, Inc. security guard service contract in Western Addition Approved Redevelopment Project Area A-2, be waived and coverage established at \$500,000.

- (b) Resolution No. 5-77 approving and authorizing the Acting Executive Director to execute a purchase order with Pacific Gas and Electric Company in an amount not to exceed \$2,719.

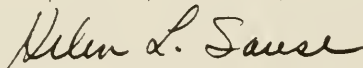
This concerns a purchase order to the Pacific Gas and Electric Company for \$2,719 for installation of temporary electric power supply for emergency street lights to Site B in the Hunters Point project. It is anticipated it will be two months before the permanent power is available.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Rothenberg, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:45 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

5
-77
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF JANUARY 1977

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of January 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley
Dian Blomquist
Alan E. Rothenberg
Dr. Hannibal Williams

DOCUMENTS

and the following were absent:

Walter F. Kaplan
James A. Silva

FEB 7

SAN FRANCISCO
PUBLIC LIBRARY

The President declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Robert B. Marquis and Cathy Simon, Marquis Associates; Richard Schadt, Richard Schadt Associates; Robert Berrer, Foundation for San Francisco's Architectural Heritage; Martha Sanger, Chester Hartman, Chester McGuire, Chuck Turner, John Campbell, Paul Oppenheim, Claude Carpenter, and Steve Goldstein, representing the Goodman Group; Charles Walker, Michael Roberts, and Pat Carey, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that the minutes of a Regular Meeting of December 14, 1976, as distributed by mail to the Members, be approved. It was moved by Mr. Rothenberg, seconded by Ms. Blomquist and unanimously carried that the minutes of an Adjourned Executive Meeting of December 20, 1976, as distributed by mail to the Members, be approved. It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of a Regular Meeting of December 21, 1976, as distributed by mail to the Members be approved. It was moved by Mr. Rothenberg, seconded by Dr. Williams, and unanimously carried that the minutes of an Executive Meeting of December 21, 1976, as distributed by mail to the Members, be approved. It was moved by Mr. Rothenberg, seconded by Ms. Shelley, and unanimously carried that the minutes of a Regular Meeting of January 4, 1977, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) The Mayor was unable to participate in a Town Hall meeting scheduled for January 6, 1977 and it will be rescheduled. The meeting was sponsored by the

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Bayview Hunters Point Joint Housing Committee and staff had prepared information on various issues at the request of Mayor George Moscone.

- (b) The Members are invited to attend the Nihonmachi Corporation meeting on January 12, 1977 at 3:00 p.m. at the California First Bank Hospitality Room for a status report on the development.

SPECIAL APPEARANCES

Presentation of the Goodman Building's Feasibility Study prepared for the Goodman Group, Inc. by Marquis and Associates and the Community Design Center

- (a) Mr. Hamilton indicated that staff had questions based on a preliminary review of the feasibility study which he hoped could be responded to in the presentation by Mr. Robert Marquis. He stressed that these did not represent a detailed analysis but were issues which seemed to be important to have considered; these were as follows: (1) if none of the proposed local subsidies are available, what other sources of funds and for what amounts will be provided; (2) were cost estimates based on the rehabilitation standards and if not, what variances will be necessary; (3) what are parking and open space projected needs; (4) what is the practicability of obtaining a twenty-to thirty-year mortgage on a seventy-year-old building which has only nine baths for 34 units, no individual kitchens, and does not meet City Code requirements; (5) when does the Art Commission make a decision on the possibility of a long-term lease; (6) in connection with the Myrtle Street flats, was the residential rehabilitation estimate made on the assumption that variances will be made to City Codes and Agency rehabilitation requirements; (7) is parking for the flats included in the variances; (8) the Myrtle Street flats are a frame-construction Type 5 building in a Fire Zone Type I area and the question is, are there specific measures dealing with fire safety; (9) what justification is offered for using substantial local subsidies for privately owned market-rate housing.

President Wexler indicated he wanted to clarify any misconceptions that the press may have on the Members' posture on the Goodman Building. He noted that the Agency intends to explore the possibilities of retaining the building for artistic use, and not start with the premise that it should be torn down for construction of a new structure. He invited Robert B. Marquis to come forward and comment on the study. He noted that the staff's questions were based on the standpoint of finding a solution satisfying both equity and economics and asked that the comments be limited to ten minutes.

Robert B. Marquis of Marquis Associates indicated that he was pleased with the completed feasibility study and believed that the projections for saving the building were good and the project appeared to be feasible. He indicated that there were a number of people present who had contributed to the report and asked them to summarize their findings and respond to Mr. Hamilton's questions. He expressed his regret that he had not had an opportunity to review the questions and noted that his firm had worked closely with the Agency during preparation of the study. Mr. Marquis indicated that he had reviewed the Agency requirements, except for parking at the Myrtle Street flats, and indicated that the proposal provided the best life safety connections to the building at the lowest cost. He noted that there were no major variances to be required. He introduced Ms. Cathy Simon, his associate, who came forward and indicated that the study of the Goodman Building was particu-

SPECIAL APPEARANCES (continued)

larly interesting because it is similar to cases in other cities where older buildings could be found to be viable and should be saved. She noted that the Foundation for San Francisco's Architectural Heritage sponsored the study. She indicated that the study is clear about assumptions upon which the Marquis firm based its work and that several people had provided economic cost overviews of the building. One of the assumptions made on the Goodman Building was that it would be maintained as low-cost housing for artists. The role for self-help for residents of the building was also considered and discussed with the Agency staff. She indicated that under this use the City Building Inspectors indicated that there would be no change in occupancy. She indicated that renovation of the Myrtle Street flats was also investigated and it appeared that it would contribute to the economic viability of the building. She stressed her belief that the building should be saved because of its historical character and architectural merit and the artist community living in the building should be retained also not only because of their individual contributions but because of the artistic resource they offer the entire city.

Mr. Chester McGuire came forward and indicated that he had done the economic feasibility study and had concluded that retention of the building was feasible. He also indicated that rents in the building could be kept as low as \$100 per month for use by the artistic community by utilizing programs such as SB 90. He concluded that with the range of rent available and with the programs available and by considering the financial contribution that could be generated by the Myrtle Street flats the retention of the Goodman Building was feasible. He expressed the belief that it would be possible to reduce costs since taxes would be lower as a result of retaining the building. He indicated that without local tax exemption the rents would be too high to permit the artists to remain. He referred to Section IV, Table III of the study noting that rents are more than \$200 per month for a studio which is out of range of the artists' ability to pay and therefore subsidized programs were needed. The mortgage is to be a 30-year mortgage and Mr. McGuire believed this was realistic for a 70-year old building. He indicated that the Myrtle Street flats were included as part of the package, Section 8 funding would be requested, and were intended for market rate housing.

Mr. Marquis again noted that the occupancy of the Myrtle Street flats was established with the building inspector and would not be changed. He indicated that there would be no office use, therefore it would be possible to comply with all the life safety requirements even though it is the wrong type of building for the fire zone. Mr. Marquis indicated that his firm could answer all Mr. Hamilton's questions with more time. He indicated also that the San Francisco Art Commission had all the documentation and would consider the feasibility of a lease.

Mr. Steve Goldstein of the Art Commission came forward and indicated that the Art Commission has long considered the lease and within four to five weeks would make a decision. In response to Mr. Hamilton's question he noted that use of general revenue funds had not been considered. Once the Art Commission reaches a decision on the matter it will be in the hands of the City Real Estate Department to work out the actual lease.

In response to Dr. Williams inquiry if Mr. Goldstein served on the Art Commission, he replied he was a staff person serving as Director of Neighborhood Arts.

President Wexler noted that since this concluded the Marquis presentation he

SPECIAL APPEARANCES (continued)

would open the meeting for the Members' questions. Mr. Rothenberg noted that in the material prepared by Mr. McGuire he had based his projections on the building being purchased at a discounted rate and used this as a basis to achieve low rents. He indicated that he had reworked Mr. McGuire's figures and found that rents were not substantially higher if the building was purchased at the Agency's price. He stressed that the Agency would have to sell for an amount concurred in by HUD. He noted that the surplus from the Myrtle Street flats did drop substantially from \$5,899 to \$2,000. Mr. Rothenberg indicated his concern that the study was based on so many assumptions about subsidies and questioned their availability for this building. He was also concerned that preservation of Myrtle Street flats had not been explored sufficiently. He also indicated that it could not be assumed that the bonds could be sold and suggested that the financing be more closely evaluated to see whether the project was marketable. He suggested talking to investment banking firms. He inquired what justification could be developed for the request that the Agency and City subsidize private investors and noted that he believed Mr. McGuire held an optimistic outlook which was reflected in the study.

President Wexler inquired how Mr. McGuire determined the appropriate rental to be paid by the artists who will be living in the residence, and referred to the proposed rental of \$66 to be reduced to \$45 with the income from the Myrtle Street flats detailed in the report. He recalled that Mr. McGuire believed rents over \$100 were high for both living facilities and working facilities, and Mr. McGuire responded that he knew many of the current tenants pay only \$45 and he had estimated \$75 as the maximum artists could pay. President Wexler asked what the artists in San Francisco were currently paying for living and working space, and Mr. Chester Hartman came forward and indicated that a city wide survey was not done but the figures were predicted on the income of many of the tenants which was below \$4,000 a year. President Wexler inquired where the people living in the Goodman Building would find other places to live and work if the building did not exist. Mr. Hartman responded that there was nothing comparable, therefore they would have to move away.

Mrs. Martha Sanger came forward and indicated that several years previously the Group had researched rents of comparable facilities in various hotels but the rents were from \$60 without baths to about \$80 with private baths. She stressed that between \$75 and \$100 per month was what artists could pay. President Wexler inquired if there was any consideration given to using the building only as a working studio for the artists rather than as a residential facility and if this would lower the rehabilitation costs. Mr. Marquis responded that they had not studied the building for studio use only but believed that the costs would not be significantly different because the life safety factors would be required in either case. Mr. Rothenberg inquired if the Art Commission did not lease the first floor if this would affect the overall rents. Mr. Marquis indicated the rents would be increased but Mr. Hartman indicated it would not be too great because of the surplus from the Myrtle Street flats. He noted also in regard to the question on justifying the intended write-down on the residential operation is not out of character with similar subsidies. Mr. Rothenberg inquired about the value ascribed to the land and Mr. Hartman replied that it would be dependent upon the Agency's appraisal based on use. He indicated that the figure used was one showing

SPECIAL APPEARANCES (continued)

the property had no value for tax purposes, and although the sale of the property which has been subsidized would provide a private gain he believed this was not unusual and alleged that the Golden Gateway was an example where the owners made use of Federal tax incentives. He stated that the question of the Myrtle Street flats needed further research and could be separated from the issue of the Goodman Building. He also noted that other means of getting funds were being explored and already negotiations were being held with the Bank of America which will be under the Marks-Foran legislation.

President Wexler inquired if all the financial subsidies would apply, if the building was renovated by a private owner, would such an owner do so without realizing a profit. Mr. Marquis answered that certain subsidies would be available but only a very unusual private owner would agree to that. President Wexler inquired if the option listed in the report Section II, Table III Column I would apply to owners, and Mr. Hartman responded that the table was based on payment of the full amount for the property. He also noted that there are a number of means available to private owners. As an example a private owner would be able to make use of the loss of profits as a tax exemption. President Wexler indicated that the land cost is \$224,000 and inquired what the Agency paid for these improvements. Mr. Melbry, Project Director, responded that this represented what Mr. Goodman had received for Lot No. 11 which included the Goodman Building and Myrtle Street flats. A new appraisal is being done. Dr. Williams asked how the Department of Housing and Urban Development (HUD) related to the prices set by the Agency on land which is sold and Mr. Hamilton indicated that the land values must be approved by HUD. President Wexler indicated that a decision would not be reached today but the information was useful when the matter was considered. Dr. Williams inquired about the time schedules for making some disposition of the building and suggested that there be a schedule to determine whether the building is to be sold to the Goodman Group, or to Mr. Goodman or placed on the open market for bids.

Mr. Hamilton noted that there were a number of things involved including the directive from Judge John Benson to appear in his court March 23, 1977 with a recommendation on the disposition of the building. He indicated that the Agency had advised the Goodman Group and Mr. Goodman of the need to respond with a proposal for rehabilitating the property within a time frame which would allow appraisal review time, and time to advertise and review proposals before March 23. President Wexler indicated that the Members want to hear comments from anyone regarding the report and suggested that these be mailed.

(b) Status Report on the Hunters Point Parks and Galvez Playfield

At a previous meeting the Members expressed their interest in the open space, parks, tot lots, and other recreational facilities in the Hunters Point area. Mr. Hamilton indicated that Mr. Earl Mills, Area Director of Hunters Point and India Basin, would make a presentation on this matter. Mr. Mills came forward and indicated on the map where specialized activities were taking place in the area. He noted the location of the Hunters Point Site office, the building where the Agency meeting had been held, and the areas where parks have already been constructed. He pointed out the Jackie Robinson Gardens development and also Ridgeview Terrace where park areas are to be developed, as well as Ridgetop Plaza which is constructed over a reservoir. It is intended that these projects will be completed this year or next year. Similar areas will be built on City property and ultimately maintained by the

SPECIAL APPEARANCES (continued)

City but at the present time the City has neither the money nor the work force to provide the maintenance. However, the City will develop the Galvez seven-acre playfield. Phase I of the playfield will include a football and soccer field and a basketball area. Land adjacent to the playfield is designated for construction of a new elementary school. The second phase of the playfield will be used as a softball field landscaped on several different levels with ramps and a stairway between. It will also have a facilities building which will serve the park and a tennis court and areas for handball and basketball. Phase II also includes access to Lane Street, an area with swings as well as an area with benches. There is a water element or pond. Mr. Mills noted that Richard Schadt, designer of the facility, was present if the Members wished more detailed information. Mr. Mills pointed out the illustrations showing the courts and bleachers and various views and details of the buildings. He indicated that construction of Phase II will begin in June, 1977 and will cost approximately \$460,000. He indicated that the Bayview-Hunters Point Joint Housing Committee has reviewed the plans and believed completion of the parks and the Galvez Playfield would greatly enhance the area.

President Wexler inquired if there was any consideration of lights for evening use of the facilities, and Mr. Mills replied affirmatively. He also noted that Ridgeway Park will cost \$650,000 and is anticipated to start March 1, 1977. Mr. Mills indicated that currently there was a problem with the design which may be over the budget but staff was working to reduce the costs. Ms. Blomquist inquired what the completion date would be for this park and Mr. Mills replied it was projected for the end of the year. President Wexler inquired if the area would be turned over to the City when completed, and Mr. Mills replied affirmatively, including the walkways, stairs and open space. He noted that housing Sites 1, 2, and 3 have recreation areas because this has been found more desirable to the children. Mr. Mills indicated the location of the paths which are designed to provide pedestrian access from various levels of the hill. Construction on this system will begin in April, 1977. The Joint Housing Committee has reviewed the plans and met with the housing manager of Site 5 to secure cooperation on maintenance. It is also anticipated that the manager of Site 4 will agree to take care of the adjacent area. President Wexler thanked Mr. Mills for his presentation.

(c) Request for Hearing by Charles Walker

Mr. Hamilton indicated that Charles Walker had requested an opportunity to address the Members. Mr. Walker came forward and indicated that he was concerned about the award of the O. C. Jones contract and it was his belief that this award represented a position against blacks in the construction industry. He indicated that O. C. Jones should not be working in the community because of alleged racism and inquired the basis on which the Agency awarded him a contract in Hunters Point. President Wexler indicated that state law required award to the low bidder and that the Agency has a clear policy on supporting an affirmative action program which meets high standards and the staff advises that O. C. Jones meets these requirements. Dr. Williams inquired if the Agency had a legally binding contract with O. C. Jones and Mr. Hamilton answered affirmatively, noting that the contract has been awarded to O. C. Jones who was the lowest eligible bidder. Dr. Williams asked if this could be reconsidered and if the Agency was subject to a legal action if it did withdraw from the arrangement. Mr. Edwards indicated that the award of a contract was binding and could not be withdrawn.

SPECIAL APPEARANCES (continued)

Dr. Williams inquired what alternatives the Agency had to satisfy the concern of Mr. Walker. Mr. Walker alleged that contractors say they will have an affirmative action program until the job begins; then they do not carry out their program. He believed the Agency was empowered to do what it wants. Mr. Edwards indicated, however, that the Agency is bound to the contractor. He noted that two large bidders have been rejected at the request of the community and if the contract was at the pre-award stage and the community protested, the matter would be different. Mr. Hamilton indicated that the Agency is concerned with affirmative action requirements and staff will ensure that the contractor conforms to these requirements. Mr. Hamilton indicated that Mr. Walker had brought problems to the Agency previously and staff had taken action.

President Wexler requested Mr. Walker to advise the Members in writing of examples of his allegations and Mr. Walker indicated that he would get the community to bring examples of noncompliance to the Agency. He alleged that O. C. Jones had shown his attitude toward blacks in the construction industry during his work with BART in 1969 to 1971 and claimed all the black contractors have gone out of business while the white contractors still remain in business. President Wexler inquired if Mr. Walker were opposed to O. C. Jones even though he complied with all affirmative action provisions, and Mr. Walker answered affirmatively noting that O. C. Jones would not employ blacks and should not have a job in the black community. President Wexler indicated his understanding of Mr. Walker's position and assured him that the Agency would ensure compliance of the contract with the affirmative action program.

NEW BUSINESS

- (a) Consideration of selection of consultant services for landscaping of Diamond Heights Boulevard medians, Diamond Heights Approved Redevelopment Project Area

This concerns selection of a landscape architectural consultant to prepare and design contract documents for irrigation and landscaping of median strips on Diamond Heights Boulevard. Of the three firms which bid, Michael Painter and Associates is recommended as the best qualified. Should negotiations not be concluded then authority is requested to negotiate with another firm.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley and unanimously carried that a contract be negotiated with Michael Painter and Associates for landscaping and consultant services for the median strips of Diamond Heights Boulevard in the Diamond Heights Approved Redevelopment Agency.

- (b) Resolution No. 8-77 authorizing the Executive Director to execute a contract for analysis of the Agency's telephone system

This concerns a contract for \$3,000 with the firm of O'Brien, Rice, Quam and Associates to analyze the Agency's telephone system for maximum efficiency and economy, and to explore additional use of the City's telephone system. Mr. Hamilton indicated that significant savings could be realized since the Agency's monthly telephone bill is \$6,000. Ms. Blomquist inquired if this was not work the telephone company could do and Mr. Hamilton replied that an objective, independent firm was desired for the evaluation, and it was felt that the telephone company would not be objective. Mr. Rothenberg inquired if there

NEW BUSINESS (continued)

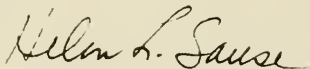
were interlocks to the City lines with the present telephone equipment and if the City had a telephone department that would work with this problem, and Mr. Hamilton responded that the City does not appear to have the capability to carry out the study. Mr. Rothenberg indicated concern about spending money when the Agency was becoming smaller, but concurred in Mr. Hamilton's recommendation. President Wexler inquired if the survey would include reducing the number of telephones and reduce personal access to them, and Mr. Hamilton replied affirmatively. The first phase would consist of onsite visits to look at the telephone flow and study the switchboard system. The second phase deals with review of the above information and the third phase consists of a report, operation, and meeting with staff on information and requirements to make the system operational and practical.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Rothenberg, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:40 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF JANUARY 1977

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 18th day of January 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Joan-Marie Shelley, Acting President
Dian Blomquist
Walter F. Kaplan
Dr. Hannibal Williams

DOCUMENTS

and the following were absent:

Howard M. Wexler, President
James A. Silva

SAN FRANCISCO
PUBLIC LIBRARY

The Acting President declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Arnold G. Townsend, Western Addition Project Area Committee (WAPAC); Munin Wong, T/W Associates; Noburu Nakamura, VanBourg/Nakamura; Yori Wada, Masao Ashizawa, Kaz Nakamoto and Paul Sack, Nihonmachi Community Development Corporation; Etsu Sugaya, Sokoji Temple; Takero Inouye, Nihonmachi Merchants' Association; Howard Imazaki, Hokubei Mainichi; George Hagiwara, Soto Mission; Reverend David Nakagawa, Christ United Presbyterian Church; Archbishop Nitten Ishida, Japanese-American Federation of San Francisco; Michi Onuma, Japanese Community and Cultural Center of California and NichiBei Times; and Yukio Sekino, Japanese-American Association of San Francisco.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; and Dan Borsuck, San Francisco Progress.

SPECIAL APPEARANCES: Presentation by the Nihonmachi Community Development Corporation on status of development

- (a) Mr. Hamilton indicated that Mr. Masao Ashizawa, President of the Nihonmachi Community Development Corporation, would present information on the Corporation and what it has accomplished to date.

Mr. Ashizawa came forward and indicated that the Nihonmachi Community Development Corporation was formed to maintain and preserve the community which was experiencing the upheaval of the redevelopment process. He indicated that fifteen years ago when the Western Addition A-2 area started, the community responded with great concern that this project not be the clearance type of redevelopment which was carried out in

SPECIAL APPEARANCES (continued)

Western Addition A-1. After many meetings with the Agency, the late Director, M. Justin Herman, suggested that a community organization be formed to work with the Agency to develop a redevelopment program acceptable to the Japanese community. Mr. Ashizawa indicated that the initial group, called the United Committee for the Japanese Community, was formed and it drew the lines for the project area from Post to Rust and Webster to Laguna Streets. It selected the architect to draw up the land use and schematics for the Master Plan. These were presented to the community and subsequently became part of the Western Addition Redevelopment Plan in 1964. This Plan was adopted by the Board of Supervisors. Mr. Ashizawa noted that at that time, Supervisor Robert Mendelsohn was on the staff of the Agency and worked in the area, and he suggested that the community form a development corporation in which the people within the area could participate as members. The Corporation provided that land acquired by the Agency from an individual could be directed through this corporation back to the participating individual. In 1964 the Nihonmachi Community Development Corporation was formed. Mr. Ashizawa indicated that allocation of the land was a difficult job, particularly because every effort was made to re-allocate land to each participant based on what he had prior to redevelopment. He stressed that this was a delicate problem which had been ably handled by Mr. Yori Wada, who was Vice-President of the Corporation. Mr. Ashizawa indicated that over 75 percent of the development is completed and commented on the beneficial effect of the recent completion of the Buchanan Street Mall. He expressed concern about the detrimental effect of any delay because it increased the financial burden of each developer. Mr. Ashizawa noted that there have been some dissident groups who have opposed the Nihonmachi Corporation and caused a number of delays financially painful to the member-shareholders and he requested cooperation from the Members so that the developers could proceed to finish the project.

Mr. Yori Wada came forward and indicated he served on the Board of Directors of the Corporation; however, he did not have any physical or monetary interest as a sponsor or developer in the project; therefore, he tried to be objective. He noted that he was pleased to introduce some of the developers in the four-square block Nihonmachi area whose developments were waiting to proceed.

Reverend David Nakagawa came forward and indicated that he was the pastor of the Christ United Presbyterian Church at Sutter and Laguna, which had not yet developed its parking lot which was set forth in the total plan. He indicated concern about the situation and noted the church's participation in the redevelopment of the Nihonmachi area. He stressed that the church has 90 percent of its development completed. Reverend Nakagawa indicated that he hoped he would soon receive permission to move forward on the parking and thus complete the church's development program. He indicated church members had given generously to the project and incurred a large debt to bring it to completion. Since costs are rising due to inflation, another fund-raising campaign may be necessary if they cannot move forward soon.

SPECIAL APPEARANCES (continued)

Dr. Williams asked Reverend Nakagawa if there was anything the Members could do to smooth the way, and Reverend Nakagawa replied that the Members could expedite the process which would allow construction to move forward. He noted that the project is stalled because the church allowed a business to continue operating at the parking lot site and now the businessman was waiting for his relocation facility to be renovated so he could move. He stressed that each of these moves was inter-dependent.

Mr. Wada indicated that the site of the parking lot is presently occupied by Wong's Bait Shop and the site to which Wong's would move was occupied by the Korea House. Dr. Williams inquired if the Korea House was scheduled for demolition and Mr. Wada replied affirmatively. Mr. Wada then introduced Mr. Kaz Nakamoto.

Mr. Nakamoto came forward and indicated that his family owned the grocery store between Sutter and Bush and they had an allocation of land north of that building for housing and commercial development. The proposed development will be 10,000 square feet in which there will be ten residential units with 4,500 square feet of commercial space and related parking. He indicated that the preliminary plans have been completed and the architect is proceeding with the working drawings.

Mrs. Michi Onuma, President of the Japanese Community and Cultural Center of California, and English Editor of the Nichi Bei Times, came forward and indicated that there had been difficulty securing financing for their development but she believed that the money would be received from private foundations in the United States and also from Japan. The Center has planned a multipurpose hall to be used for concerts, display areas, offices, and a lounge for older people on the first floor and for younger people on the third floor, as well as classrooms and a library. A display of Japanese-American historical projects will also be housed in the structure.

Mr. Wada indicated that not all the member-shareholders of the Nihonmachi Community Development Corporation were Japanese-Americans and he introduced Mr. Paul Sack. Mr. Sack came forward and indicated he had been allocated land and planned to develop thirty units of housing for the elderly and handicapped, which represented one of two such developments in San Francisco. He indicated this had been approved by the Department of Housing and Urban Development (HUD) under Section 8 and that from 15 to 25 percent of the development would be for federally subsidized housing. Preliminary architectural plans have been approved by the Nihonmachi Community Development Corporation and the Agency, as well as HUD, and preliminary feasibility studies have been completed and approved by HUD, and working drawings are now in the final stage. Everything will be completed by February 4, 1977, and construction should be underway this summer.

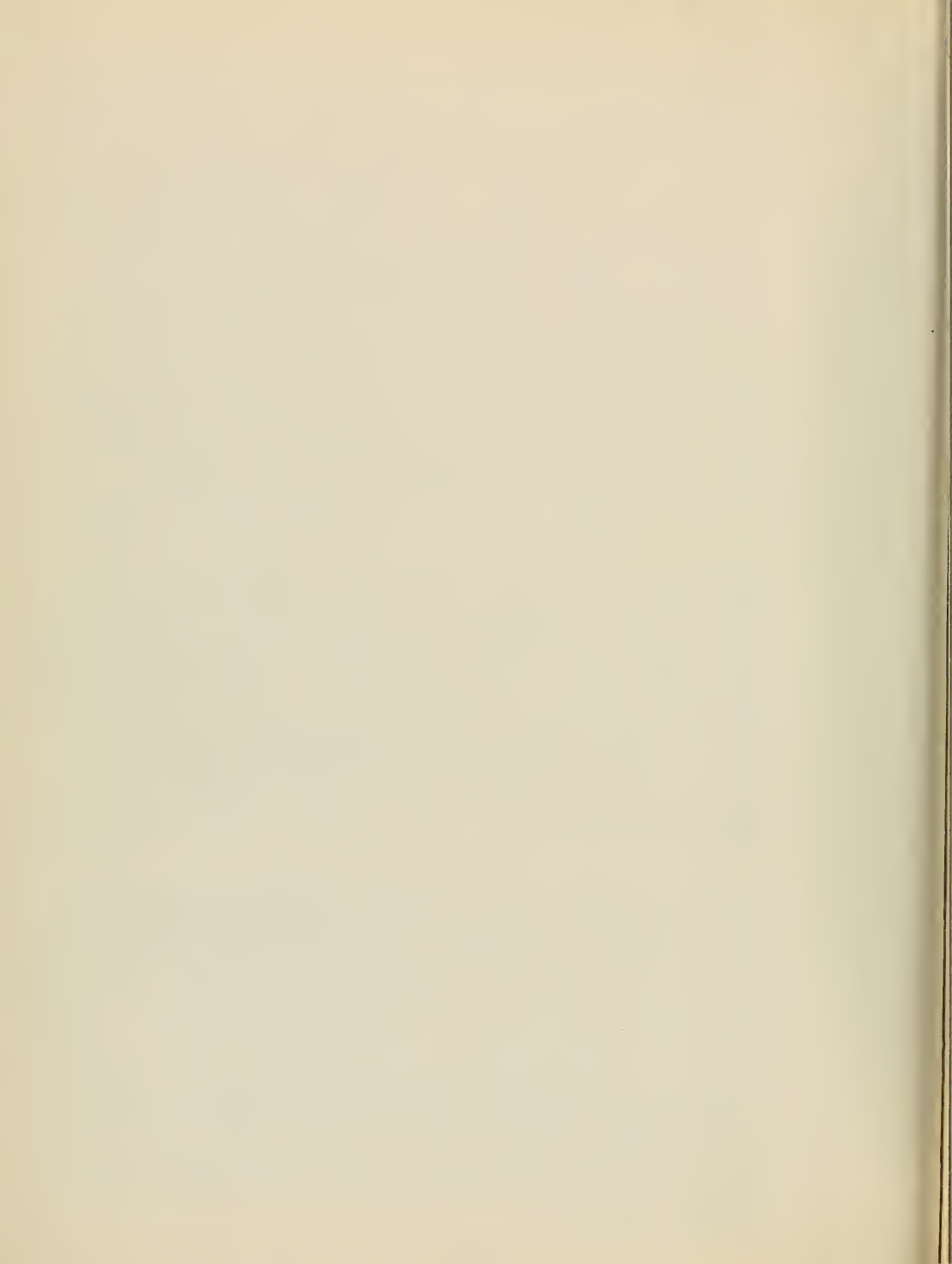
SPECIAL APPEARANCES (continued)

Mr. George Hagiwara, representing the Soto Mission, came forward and indicated that the Soto Zen Buddhist Mission was located on Bush Street and that it wished to build another building at the corner of Sutter and Laguna on which Den's Automotive Repair Shop now stands. The Mission has planned this move since 1975 and had already received the building permit last September. The drawings are ready and the contractor is ready to go as soon as the site is made available, but there has been difficulty in relocating Ben's Automotive. Mr. Hagiwara indicated that costs were escalating and if there is any further delay the Mission will have to solicit additional donations. Mr. Kaplan inquired where the Mission was now located, and Mr. Hagiwara replied that the Mission owned the former Shalom Jewish Temple at 1881 Bush Street. Dr. Williams indicated that his concern for the relocation of Den's Automotive was satisfied and stressed that he did not want to delay the project. In response to his inquiry, Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that demolition bids were opened for the site last week and will shortly be before the Members for award of that contract. He indicated that the property would be vacated in time for the Mission's move and that work was proceeding on the new location to which Ben's Automotive would be relocated. Dr. Williams inquired if the Members could expedite the move, and Mr. Suttle replied that they could by awarding the demolition contract.

Mr. Wada indicated that the next speaker was a representative of the Japanese-American Association of San Francisco which had a site on Sutter Street. Mr. Yukio Sekino came forward and indicated that he was the President of the Japanese-American Association of San Francisco and that before this it was called the Japanese Association. The Association bought the land when it was established over fifty years ago. After the war it became known as the Japanese-American Association of San Francisco. The Association plans to put a building on the site that is meaningful because it will be used as a memorial museum on two floors dedicated to the history of the pioneers. Part of the building will be used as an office and other organizations may use the space for their offices as well. Mr. Sekino indicated that the structure is designed in the Japanese style architecture and there is nothing similar to it in San Francisco. He stressed that as soon as the land is available, construction can start.

Mr. Wada noted that this completed the presentation from the developers who were ready to proceed. He indicated that others were present who were in the process of rehabilitating their structures and others who had completed their developments. One of these was the Nihonmachi Terrace and Sunrise Towers development sponsored by the Japanese-American Religious Federation and located across the street from the Northern California Presbyterian Homes. He indicated that Archbishop Nitten Ishida of the Japanese-American Religious Federation of San Francisco would be the next speaker.

Archbishop Ishida came forward and indicated that he wished to express the appreciation of the Japanese-American Federation for the Agency's aid in building their project. He recalled the consecration ceremony held last November when 245 people had attended and indicated that there were over 250 people now on the waiting list for housing. The group wishes to build additional housing. He hoped that the Members would consider helping them do this and thanked the Members again for their continued cooperation.



SPECIAL APPEARANCES (continued)

Mr. Wada indicated that the news media was represented by Mr. Howard Imazaki of the Hokubei Mainichi which is in the process of rehabilitating the building formerly occupied by the Queen Adah Lodge on Post Street. Mr. Imazaki came forward and noted that his business had been in the community for a long time and it was now in the process of relocating from 1737 Sutter Street to the Post Street location and that while this relocation has been difficult, the newspaper would be in operation there within the next month. He indicated that he had been reluctant to move because it was costly but he had gone along with the Agency's program and would spend more than \$60,000 which he hoped the Agency will reimburse.

Mr. Wada next introduced Mr. Takero Inouye, President of the Nihonmachi Merchants' Association, and noted that he was also the manager of the Japanese Cultural and Trade Center branch of the California First Bank, which has loaned the Agency \$1 million for rehabilitation loans to residents of the Western Addition A-2 area. Mr. Inouye indicated his appreciation for the patient and continuous work of the Agency to promote development in San Francisco's Japan Town. Mr. Inouye indicated that program has now reached the last phase and completion of the area is essential.

Mr. Wada thanked the Members for allowing the presentation and indicated that any questions would be welcome.

Ms. Shelley thanked Mr. Wada and the others for their interesting and informative presentation and stressed that it was the desire of the Members to do everything possible to expedite completion of the development.

Dr. Williams noted that he had a great deal of personal regard for the Japanese-American community. He commented on the perishable nature of building permits and stressed this consideration in the need to clear the site for the Soto Mission. He praised Mr. Wada's considerable accomplishments in the community, noting that for 25 years he had been on the Board of Directors for the YMCA serving the Western Addition community and his helpfulness, particularly in working with young people. He also indicated that Reverend David Nakagawa is a fellow pastor and in Dr. Williams' community organization days, Reverend Nakagawa had permitted Dr. Williams the use of his church as headquarters. Dr. Williams indicated he would like to read a letter expressing his concern for the Japanese in the area written to Mrs. Gigi Bland Platt, President of the Landmarks Advisory Board, which is attached and made a part of these minutes.

(b) Presentation on proposed rehabilitation of Bayview-North.

Mr. Hamilton indicated that on July 26, 1976 the Board of Supervisors designated a survey area in the Bayview-North district as a possible



SPECIAL APPEARANCES (continued)

redevelopment project which would have a heavy emphasis on rehabilitation. He asked Mr. Jerry Belcher, Assistant Project Director of Hunters Point and India Basin, to report on the current status of the study.

Mr. Belcher came forward and noted the location of the Bayview-North area adjacent to the Hunters Point and India Basin projects and the San Francisco Housing Authority property to the east and the Hunters Point Naval Shipyard to the southeast. The Bayview-North area also abuts Third Street to the west. He indicated that the 1975 Community Development Program directed the Agency to identify a residential rehabilitation project and after meetings with area residents, it was apparent that a portion west of Third Street, directly opposite the residential area, should be included since auto dismantlers, junkyards, and commercial uses had a blighting effect on the adjacent residential neighborhood. Mr. Belcher indicated on the land use map the location of the residential area and its relationship to the commercial and Industrial area to the west. He reported that the proposed treatment of the residential area is rehabilitation while rezoning to permit only commercial uses and rebuilding is proposed for the area west of Third Street. There will also be some clearance of structures which are infeasible to rehabilitate. The rehabilitation program proposed will offer the maximum benefits, including below-market rate interest loans and a ceiling on rents to permit residents to remain in the area. Full relocation benefits will also be available for displaced people. Mr. Belcher indicated that execution of the project is proposed to combine resources of the Bureau of Building Inspection and the Agency. The majority of the homes in the Bayview-North area are eligible for the Residential Rehabilitation Assistance Program (RAP) administered by the Bureau of Building Inspection and this would be a major rehabilitation tool to be used in the district. The Agency will purchase properties not suitable for rehabilitation, relocate families and carry out project improvements as well as marketing the land for new development. It is planned to utilize the Agency's authority under Senate Bill 99 for construction of new homes in the residential area. Project improvements will include such items as the planting of street trees, undergrounding of utilities, street resurfacing, street lighting, parks, and other improvements.

Mr. Belcher noted that after studies are completed on the feasibility of the project, the Redevelopment Plan is presented to the Members and the Board of Supervisors for consideration and public hearings are conducted by both entities. Mr. Belcher noted that there had already been extensive citizen participation which would continue and monthly meetings are now being held with the residents acting as a tentative advisory committee. He noted that the Department of City Planning has drafted a preliminary plan for the project and preliminary interior structural inspections are over 80 percent complete. Mr. Belcher indicated on the map the condition of the structures as surveyed, noting

SPECIAL APPEARANCES (continued)

that it appears about 41 percent are sound, 20 percent are rehabilitable, 11 percent are questionable, and 4 percent are unsound. The feasibility studies for retail uses has already begun and a draft of the environmental impact report has commenced. An effort is being made to amend existing legislation to permit the Bureau of Building Inspection and the Agency to work together using RAP funding, which will provide 6 percent interest loans to property owners in designated areas who want to bring their buildings up to code or to make improvements beyond code requirements.

Dr. Williams inquired who would authorize the study and provide the financing, and Mr. Belcher replied that this authority was included in the 1975 Community Development Program. Dr. Williams indicated his pleasure in seeing citizens participate in the development and inquired if the structures were to be rehabilitated by the owners. Mr. Belcher answered affirmatively, noting that consideration was being given to less stringent standards than the existing codes.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur v. Hamilton reported to the Members on the following matters:

- (a) It was with regret that a letter had been received from Mr. Alan E. Rothenberg resigning his commission on the Agency to accept an interim appointment as Secretary of the Board of Transportation, Business, Housing and Community Development of the State of California at the request of Governor Jerry Brown. Although there was no apparent conflict of interest, the Governor requested that he submit his resignation so that there could be no allegation of conflict. The Agency has also been advised the Mayor intends to appoint Messrs. Rubin Glickman and Melvin Dong Lee to complete a seven Member board of the Agency. The appointments will be referred to the Board of Supervisors for confirmation.
- (b) Mr. Hamilton indicated that the Agency was now in receipt of copies of the ordinances introduced by Supervisors Quentin Kopp and Dianne Feinstein proposing changes in the Agency. Under the proposal of Supervisor Kopp, the Board of Supervisors would be the Redevelopment Agency, and Supervisor Feinstein's ordinance would establish the creation of a community development commission by consolidating the San Francisco Housing Authority and the Agency. Both of these ordinances have been referred to the Planning, Housing and Development Committee of the Board of Supervisors which will again meet on February 15, 1977.
- (c) The Nihonmachi Community Development Corporation invited the Members to attend its regular meeting on January 12, 1977, and Mr. Hamilton indicated he and Ms. Shelley had attended and had been impressed by the progress made by the Corporation.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Ms. Shelley commented on Mr. Rothenberg's resignation, noting that it was a great pleasure to have worked with him and wished him well. She inquired of Mr. Hamilton what would follow the February 15, 1977, hearing on the Supervisors' proposed ordinances and Mr. Hamilton indicated it would depend upon the Committee's recommendation. In the Feinstein proposal there was to be a consultant contract not to exceed \$25,000 to study the feasibility of consolidating the Housing Authority and Agency, which could take some time.

NEW BUSINESS

- (a) Resolution No. 10-77 designating T/W Associates, a partnership, as redeveloper of Parcel 3706-R, as indicated; directing that the Executive Director take the necessary action to obtain approval of the proposed redevelopers from the Department of Housing and Urban Development, and to publish a notice of public hearing in connection with the proposed disposition of said parcel in Yerba Buena Center Approved Redevelopment Project Area D-1.

This concerns the offering of the Mercantile Center Building at the northwest corner of Third and Mission Streets for rehabilitation, to which T/W Associates was the sole respondent. Mr. Hamilton requested that Mr. Quintin McMahon, Director of Real Estate, Marketing and Business Development, outline the proposal.

Mr. McMahon indicated that it is proposed that the Members designate T/W Associates as the redeveloper of the building. Mr. McMahon noted that the firm was comprised of Jimmy Tse and Tse Yip Chun Yip of Hong Kong and Mynin and Iva Wong of Redwood City, who will have until April 1, 1977, to allow for completion of market and economic studies and submission of working drawings. The offering has a time schedule calling for start of new construction rehabilitation work by October 1, 1977, at a cost of \$1.5 million. Mr. McMahon indicated that as part of the proposal a request is made that the Agency increase the development parcel from 13,335 square feet to 15,435 square feet by including an additional strip of land 20 x 105 feet adjoining the westerly line of the property. This additional land will be acquired for \$84,000, or \$40 per square foot, which is the fair market value. The total price offered for the building is \$654,000. Mr. McMahon noted that the additional 20-foot strip of land is needed for a ten-story tower addition which will house an office lobby and elevator banks on the west wall of the building. A three-story addition on the north wall at Third Street will house the building delivery and service areas. The proposal provides for the existing building to be rehabilitated for both retail commercial and office use. The sale of the additional land creates a problem because a strip 27 feet wide remains on the western edge of the parcel which could only be used by Arcon/Pacific Ltd., in development of its office building, or included as an access to Mission Street, or included in the sale of the Mercantile Building. T/W Associates has agreed to consider this latter possibility. Mr. McMahon indicated the T/W Associates proposal is acceptable provided a solution is found for the 27-foot parcel.

NEW BUSINESS (continued)

Mr. Kaplan inquired if the illustrative drawing showed the new construction, and Mr. McMahon answered affirmatively, noting the location of the ten-story tower. He indicated the addition on either side would also stabilize the building in case of earthquake. Dr. Williams inquired if this was the only proposal and Mr. McMahon replied affirmatively. Dr. Williams inquired how much foreign ownership there would be, and Mr. Mynin Wong came forward and noted that T/W Associates was comprised of two equal 50 percent partnerships.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 7-77 making certain findings and determinations in connection with, and authorizing an assignment of, interest in Parcel 672-B, (MR-1(b), Western Addition Approved Redevelopment Project Area A-2.

This concerns assignment of interest from the Maisin Development Corporation to a new general partnership known as the Sutter Apartments. This does not involve any exchange of funds nor violate anti-speculation provisions. Construction will start within two weeks on the 68 apartments to be built at the northeast corner of Gough and Sutter Streets.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 13-77 approving agreement with the Pacific Gas and Electric Company within the Hunters Point Redevelopment Project NDP A-5.

This represents an agreement with the Pacific Gas and Electric Company for construction of gas mains and undergrounding of the electric system on housing Sites D and E, at a cost of \$56,625, which is refundable.

ADOPTION: It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 14-77 approving agreement with the Pacific Gas and Electric Company within the Hunters Point Redevelopment Project NDP A-5.

This item concerns an agreement with the Pacific Gas and Electric Company to relocate a major portion of a 12.5 KV electric line necessary to clear Sites D and E for Site Improvement Contract No. 16. The non-refundable payment of \$45,470 is required because the work is done for the benefit of the Agency.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (e) Resolution No. 12-77 authorizing refund to the Embarcadero Center of a portion of a performance deposit in connection with the Embarcadero-Lower Market Approved Redevelopment Project Area E-1.

This concerns a refund of the performance deposit for Block 232 in the Embarcadero Center, Embarcadero-Lower Market Approved Redevelopment Project Area E-1, for \$103,325 which is 5 percent of the total purchase price of \$2,066,504. The completion notice was filed September 21, 1976. This leaves a balance on deposit of \$112,657 for Block 233.

ADOPTION: It was moved by Mr. Kaplan, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 6-77 approving a settlement of claim and litigation by Universal Demolition Company in connection with Demolition and Site Clearance Combined Contracts No. 7, India Basin, and No. 12, Hunters Point, in the amount of \$4,450.

This represents a settlement of the Universal Demolition claim for \$4,450 as considered in the executive meeting of the Agency on January 11, 1977. The original claim was for \$6,972. Dr. Williams inquired if this was a minority firm, and Mr. Kernan replied negatively.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

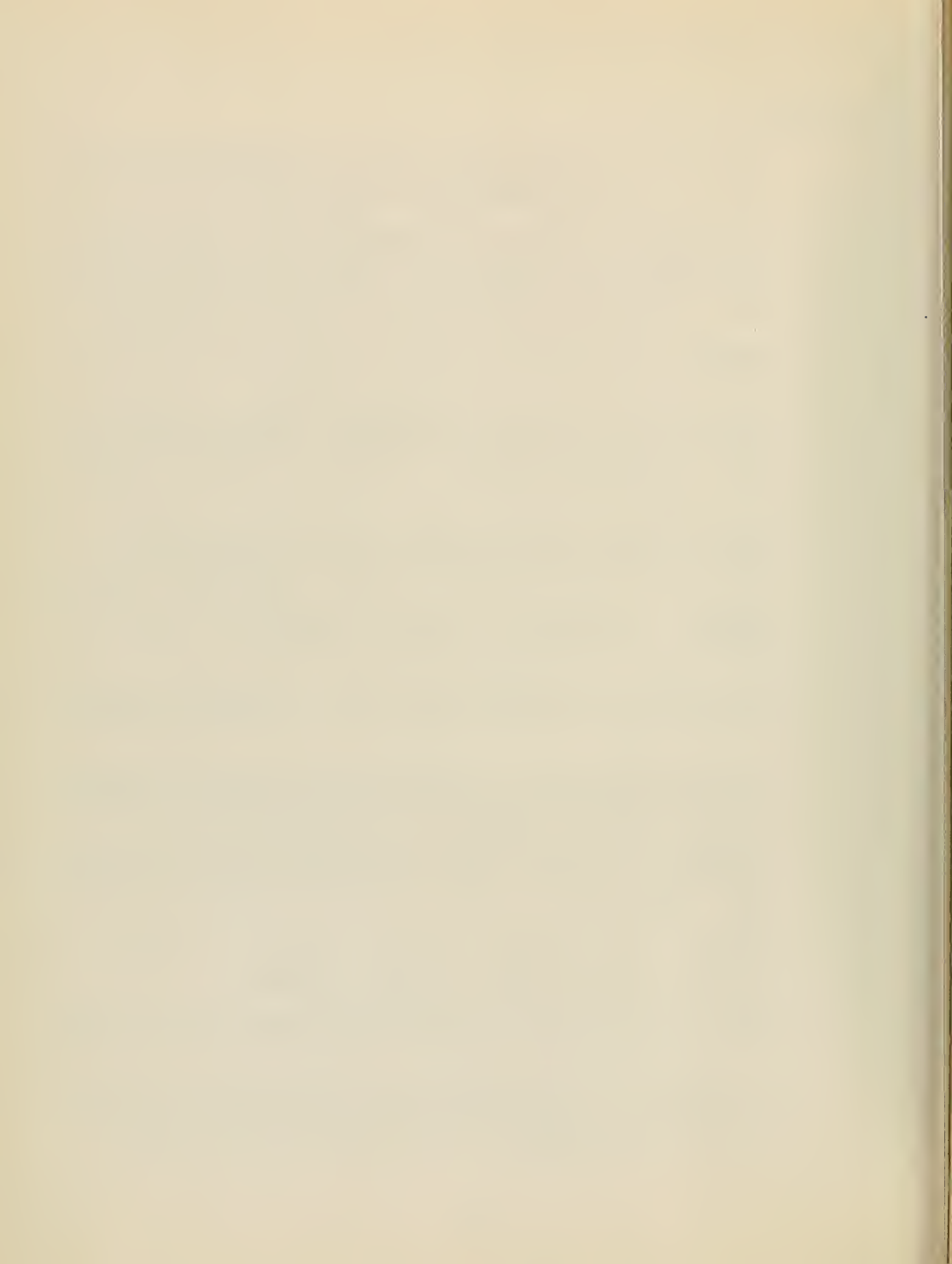
- (g) Resolution No. 11-77 extending the agreement for pest control services with Terminix of Northern California, Inc., all projects, and amending the rate therein.

This concerns extension of the pest control contract with Terminix of Northern California until the contract balance of \$18,990 is expended. The rate of compensation would also be increased from \$122 to \$140 per day and the services reduced from five to three days per week. Mr. Kaplan inquired why the contract was not put out to bid, and Mr. Hamilton indicated that bids were originally obtained and Terminix was the low bidder. This action will primarily permit staff to expend the remaining funds in the contract.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 9-77 establishing policy guidelines for the selection of a consulting architect or engineer and rescinding Resolution No. 189-74.

This concerns the policy guidelines for selection of consulting architects and engineers. It establishes a panel to review proposals and conduct interviews, permits the Executive Director to submit the ranking of three firms to the Members for selection of the firm for contract negotiation. The Members would then authorize execution of the final



NEW BUSINESS (continued)

contracts. The procedures would permit staff to negotiate contracts which would be presented to the Members for approval.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

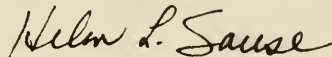
- (i) Resolution No. 17-77 amending the by-laws pertaining to the positions of Deputy Director for Planning and Development, Deputy Director for Community Services, and Assistant Executive Director for Finance and Administration.
- (j) Resolution No. 19-76 amending Resolution No. 107-76 adopted June 14, 1976, establishing classifications and compensation schedules for Agency staff.
- (k) Resolution No. 18-77 appointing Redmond Kernan as Deputy Director for Planning and Development, Arnold Baker as Deputy Director for Community Services, and Jane Hale as Assistant Executive Director for Finance and Administration, effective January 12, 1977.

Ms. Blomquist requested that these items be held over because she had not had an opportunity to read the proposed changes to the By-Laws. Dr. Williams indicated his support of these resolutions and questioned the delay since they essentially ratified Member action taken in executive meeting. Ms. Blomquist again noted she wanted to evaluate the proposed changes to the by-laws. Acting President Shelley noted the items would be held over one week.

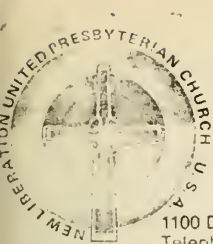
ADJOURNMENT

It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:35 p.m.

Respectfully submitted,



Helen L. Sause
Secretary



1100 DIVISADERO AT TURK, SAN FRANCISCO, CALIFORNIA 94115
Telephone: CHURCH - (415) 629-8881 - HOME - (415) 921-3142

Reverend HANNIBAL A. WILLIAMS, D. Min., Pastor

January 18, 1977

Mrs. G. Bland Platt, President
Landmarks Preservation Advisory Board
of the City Planning Commission
100 Larkin Street
San Francisco, California 94102

Dear Mrs. Platt:

I am a long time (10 years) resident of San Francisco's Western Addition with a long affiliation with the San Francisco Japanese community. I spent many years as a community activist (activist) working with our Asian brothers and sisters in attempting to enjoy those basic privileges extended to other Americans. The first and foremost privilege of a human being made in the image of God is to exercise the dominion over himself and his or her environment, and to exercise self-determination. The failure to do this by any human being negates that persons essential humanness.

Notwithstanding the fact that the essential goal of conservation and preservation of life's treasures is an important goal, it is denigrating to the minorities of this country to assume that their ability to make the best decision in this regard in their own communities is beyond their capability.

In particular, I refer to San Francisco's Japanese American community and its effort to re-establish itself after the cruel destruction of the Japanese community by our government. In the five and a half American citizens were incarcerated in barbed wire encampments for "protective detention."

I, therefore, join the Japanese community fully and wholeheartedly, and I pledge myself to support their efforts in exercising their own community and shaping their own destiny without the interference of well meaning outsiders practicing "protective" stewardship.

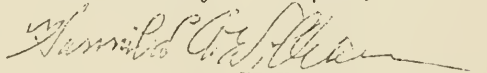
Mrs. G. Pland Platt
January 18, 1977
Page 2

The San Francisco Redevelopment Agency Board is composed of a group of people fully qualified to render sagacious judgment in the urban renewal process in cooperation with the people directly affected by that process.

The clearing of old buildings is so important and so sensitive to the entire process that additional time consuming reviews may cause actual failure of the project and thereby violate a long standing promise of our nation to make this minimal reparation to a deeply abused Japanese American people.

We hope to be the servants of all and in that spirit we plead that you let us do our job without interference or very expensive delay and potential bitter disappointment.

With sincerity and respect,



Dr. Hannibal A. Williams
Member, San Francisco
Redevelopment Agency Board

cc: Masao Ashizawa, President, NCRC
Yori Wada, Director, Buchanan Street YMCA
Mayor George Moscone
Members of the Landmarks Preservation Advisory Board
Members of the Board of Supervisors
Members of the City Planning Commission
Planning Director Rai Okamoto
Members of the San Francisco Redevelopment Agency
Mr. Wilbur W. Hamilton, Acting Executive Director, SFRA

Signed and marked <i>et</i>	1-19-77
Signed and returned to	<i>et</i>
Date	

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF JANUARY 1977

SAN FRANCISCO
REDEVELOPMENT AGENCY

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 25th day of January 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Walter F. Kaplan
Dr. Hannibal Williams

and the following was absent:

James A. Silva

The President declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Arnold G. Townsend and Mary Rogers, Western Addition Project Area Committee (WAPAC); Mrs. Bland Platt, Landmarks Advisory Board; Martin Ron, Martin Ron Associates; Dong Chan, Human Rights Commission; Victor Abe, Nihonmachi Community Development Corporation; Bill Murdock, City Developers; and Joan Takino, Committee Against Nihonmachi Evictions (CANE).

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of an Executive Meeting of January 4, 1977, the minutes of a Regular Meeting of January 11, 1977, the minutes of an Executive Meeting of January 11, 1977, and the minutes of a Regular Meeting of January 18, 1977, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES: Request for hearing by the Committee Against Nihonmachi Evictions (CANE)

- (a) Mr. Hamilton indicated that the Committee Against Nihonmachi Evictions (CANE) had requested the opportunity to make a presentation of their

SPECIAL APPEARANCES (continued)

concerns about redevelopment activity in the Ninonmachi area. Mr. Hamilton indicated that Ms. Joan Takino was the spokesperson. President Wexler indicated that the presentation was to be limited to 15 minutes, exclusive of a period for questions and answers.

Ms. Joan Takino of CANE came forward and alleged that the Agency is continuing its attack on the Japanese community by harassing the tenants in the buildings at 1531 Sutter and 1869 Buchanan Street by claiming that these structures were fire hazards and that the tenants must be removed for their own safety. She voiced CANE's demand that the Agency cancel the eviction plans, repair the buildings, and allow the tenants to remain at low rents. She indicated her belief that the allegations on the buildings' hazardous condition were instigated by the Agency as an excuse to evict the tenants. She indicated that when the tenants had complained to the Agency about the condition of the buildings they were told there was nothing wrong with the buildings. She suggested that the Agency was afraid of the growing strength of CANE and was taking this means to evict the tenants since the City was not concerned about tenants. She indicated that this was shown by the City's adoption of a Master Plan for the area which ensured high rents and tourism uses. She alleged that government was not concerned about people but destroyed people's property so that corporations could build luxury apartments. She indicated that the tenants of the two buildings were being represented by CANE and were determined to remain a part of the historic community. She indicated that CANE would not allow the evictions to happen and demanded that the Agency repair the buildings.

President Wexler summarized his understanding of CANE's concerns about 1531 Sutter and 1869 Buchanan Streets as follows: cancellation of the eviction notices; rehabilitation of the buildings; and continuation of the present low rents.

In response to the presentation, Mr. Hamilton indicated that both structures were under court order from Judge John E. Benson for vacation. He noted that staff analysis of 1531 Sutter Street in April, 1976, reaffirmed the infeasibility of rehabilitating the building and that 1869 Buchanan is part of a site on which a Nihonmachi Community Development Corporation developer was ready to proceed. He stressed that the Agency is under obligation to honor its contract with the developer. Both buildings had been discussed by CANE with the Mayor and he had found the Agency's position proper.

Ms. Shelley attempted to inquire what relocation aid had been offered the tenants, but was interrupted by Ms. Takino who expressed the belief that the Members were wasting her time because relocation benefits had nothing to do with CANE's concerns. President Wexler indicated Ms. Takino had not fully utilized the time allotted for CANE's presentation and time for questions would not be deducted from her presentation; however the hearing would be closed if the courtesy of allowing the Members to ask questions was not permitted. He requested that

SPECIAL APPEARANCES (continued)

Ms. Takino take her seat. President Wexler stressed that the Members were interested in hearing from staff and CANE.

Ms. Shelley repeated the inquiry about relocation benefits and Mr. Hamilton responded that full relocation benefits were available to all of the tenants but only those in 1869 Buchanan were cooperative and appeared interested in receiving the benefits. Ms. Takino protested that the Agency was not addressing the issues presented by CANE, and President Wexler indicated that the Agency conducted its business by allowing the Members to seek information by asking questions and again cautioned that if the interruptions continued, the hearing would have to be concluded. A member of CANE indicated from the audience that the tenants did not want to move and wanted the buildings fixed up; therefore, the question of relocation benefits was irrelevant.

President Wexler again stressed that it was part of the Members' responsibility to ask questions in order to reach their conclusions.

Dr. Williams inquired if CANE representatives had availed themselves of the assistance of the Western Addition Project Area Committee (WAPAC) and Ms. Takino responded that the point of her presentation was to have the Members respond to the demand that the tenants not be evicted. Dr. Williams indicated his efforts on behalf of the poor people in the Western Addition and stressed his sympathy for anyone being evicted; therefore, he urged Ms. Takino to be aware that she was speaking to someone who had experienced the problems she was outlining and not include all of the Members in her accusations. He indicated WAPAC is composed of citizens from the area and could possibly be of help to CANE. He noted that Ms. Takino's lack of courtesy made it difficult to know what to talk to CANE about. Ms. Takino indicated CANE was interested only in having its demands answered. Dr. Williams again noted that WAPAC is the Western Addition's people's organization and has the power to request the Agency to thoroughly investigate issues and again he inquired if CANE had attempted to work with that organization. Ms. Takino indicated her belief that WAPAC worked for the Agency and that CANE's demands were not being heard. She claimed the Members were trying to divert the discussion and wanted them to know that CANE would continue the struggle.

At this point the CANE representatives left the meeting.

President Wexler inquired if anyone else wished to speak on the matter. Mrs. Mary Rogers of WAPAC came forward and recommended that Judge Benson's decision be reversed because it was her belief that there were some steps that had been overlooked in regard to the eviction process. She indicated that CANE had been unwilling to work with WAPAC. She urged that the Agency examine carefully the steps followed on the evictions and noted that the Bureau of Building Inspection had inspected the buildings and then they were ordered to be vacated without notices to tenants and inquired if the Sutter Street building could be fixed up and the tenants remain. Mr. Hamilton indicated that since her questions concerned the legal process which was followed and a hearing on January 27, 1977 in Judge Benson's court, he would ask Mr. Baker, Deputy Executive Director for Community Services, to respond.

SPECIAL APPEARANCES (continued)

Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that he would comment on the status of the buildings and Mr. Baker would outline the official court process on Agency-owned buildings. Mr. Suttle stressed that the buildings are both substandard and that the developer of 1869 Buchanan Street is ready to proceed, and that there are developers interested in the 1531 Sutter Street site and staff is ready to offer it for proposals. The rehabilitation staff has re-inspected the buildings to determine if rehabilitation was feasible and because of the extensive deterioration and subdivision of units into what is essentially a rooming house, it was concluded that after renovation there would be a net loss of \$400 per month and rents would be in excess of those allowed under Federal subsidy programs. He reiterated that 1869 Buchanan Street has been allocated by the Agency to a property owner in the Nihonmachi community and stressed that he is ready to proceed, after making a large investment of money. He noted that the tenants were aware of the building inspection and those in the Buchanan Street building are ready to move; however, there is only one tenant in the Sutter Street property who is not represented by CANE and is seeking the Agency's relocation aid. The other four tenants refuse to deal with staff except through CANE.

Mr. Arnold Baker, Deputy Executive Director for Community Services, indicated that as a primary consideration whether the buildings are rehabilitated or not, the tenants would still have to vacate. Judge Benson has pledged that he would not let people remain in substandard buildings which are fire hazards and will insist on vacation of the tenants. The Judge made his position quite clear in the hearing on the Goodman Building, and Mr. Baker also indicated his familiarity with Judge Benson's procedure because the Judge designated him as the commissioner of the court to handle such properties. He indicated that everything had been done to make the relocation as humane as possible, and even one tenant who was potentially ineligible had, after extensive staff efforts, been qualified for relocation benefits. He indicated that the inference that the Agency was using devious means to get the buildings vacated was erroneous and stressed that the Agency had nothing to do with the Bureau of Building Inspection which acted independently in citing owners of substandard buildings. He indicated that the Agency was interested in people, but stressed that the buildings were not fit to live in and that preservation of life was the first priority. He again noted that if the buildings were repaired, the present tenants would still have to be rehoused. President Wexler suggested that the tenants may have a different attitude toward relocation if they could move back in.

Mrs. Rogers indicated that there was an oversight in the condemnation suit of the City and County of San Francisco in that the rights of the tenants had been omitted. She expressed the belief that the tenants should have been informed that there was a hearing before the Court and that the buildings were going to be torn down. She stressed the need for staff to be sensitive and learn how to deal with the community. She also believed there were some buildings which could be rehabilitated

SPECIAL APPEARANCES (continued)

rather than torn down and replaced by apartments which were not large enough for families.

President Wexler inquired if there was any way WAPAC could bring CANE within the organization, and Mrs. Rogers responded that WAPAC would need \$100,000 for staff with special skills to work with the Japanese people. She indicated that particularly Japanese-speaking staff was needed to explain the situation to the tenants and her belief that people should live where they wish and not rely on the decision of Judge Benson. Dr. Williams indicated his consternation at having CANE come to the meeting without attempting to work with WAPAC. He indicated his belief that CANE was out of order and did not appear to be serious about negotiating to achieve its objectives, but only interested in strengthening its organization. He believed this was evidenced by their unwillingness to enter into a dialogue with someone like him.

Mrs. Rogers noted that it appeared their attack was not personal but was the result of a negative attitude in the community toward the Agency for many years.

Mrs. Blomquist inquired if there were any steps that could be taken prior to the hearing before Judge Benson on January 27, and Mrs. Rogers suggested that representatives of CANE should be present at the hearing to speak with Judge Benson who can make the court's position clear on fire hazards. She again noted that the tenants had been excluded from the initial hearing on the buildings' condition. Mr. Baker indicated that the condemnation process does not provide for involvement of tenants, but staff had worked with those tenants to whom they had access.

President Wexler suggested that the tenants be sent notices of hearings or the Agency could contact them and let them know when the hearing was to take place. Mr. Baker indicated that had been done and in accordance with legal regulations, a 90-day notice was issued and on the 60th day there is issuance of a 30-day notice. Mr. Baker indicated the tenants had been informed and noted the presence of the relocation staff which had been especially chosen to work with the tenants. Mrs. Rogers noted that the Building Inspectors had inspected the buildings and posted condemnation notices and the tenants had not had any opportunity for input in the process.

Mr. Kaplan indicated that it appeared most of the tenants were ready to take advantage of their benefits and move. Mr. Baker responded affirmatively, noting that staff understood the sensitivities of the situation and had handled the matter very carefully.

President Wexler recommended that the staff and WAPAC find a way to work with CANE and involve them in a dialogue which would permit response to their concerns. Mr. Hamilton suggested that there was a need for WAPAC to better understand the peculiar and complex nature of this case and urged that it not be assumed there was any lack of care regarding the process. He noted that CANE was well informed but appeared unwilling to participate in rational discussions.

SPECIAL APPEARANCES (continued)

Dr. Williams indicated that poor people have difficulty finding housing at rents they can afford and are trapped into occupying substandard housing because it is all they can afford. They are further disadvantaged because they are not allowed to live in substandard housing and there is no replacement housing they can afford. He indicated his recognition of this as essentially the issue being presented. He also noted his experience with community organizations and noted that CANE's tactics appeared to be the presentation of non-negotiable demands to keep fuel on the fire and use this issue so it can grow and learn how to use its muscle. This is not a strategy which will aid poor people.

Mr. Baker indicated that these tenants had access to the low-income rent subsidy program and could be subsidized if they have to pay over 22 percent of their income for rent. He recalled that it was the Agency which pushed this program ahead in 1968. Mr. Suttle stressed that the Agency had been responsible for the construction of 346 units of housing in the Nihonmachi and one-third is available for those of public housing income. There are also 178 units being constructed under the Section 236 program and 68 units under Section 8 for senior citizen housing. The Namiki Association development of 129 units of senior citizen housing is now ready to proceed. In addition, three-quarters of the buildings designated for retention have been rehabilitated in Western Addition A-2. Mr. Suttle noted that although it had not been possible to survey all of the tenants, some appeared to have sufficient income to rent other units without subsidies.

Dr. Williams again stressed his belief that the poor were forced to live in substandard housing.

President Wexler indicated that the public hearing was closed and requested that staff report on further developments in the matters just raised. He urged that further attempts be made to bring CANE into a dialogue and suggested that this might be accomplished through an intermediary such as WAPAC. President Wexler stressed the concern of all of the Members about the rights of people.

Mrs. Rogers inquired what position the Agency would take in the court hearing on January 27 and suggested that if Judge Benson ruled to vacate the tenants of the buildings, there could be a problem. President Wexler indicated that the alternatives appeared to be to follow Judge Benson's directive or expend a great deal of money to rehabilitate the buildings which seemed impractical because of the development schedule. Mrs. Rogers recommended that only the Code violations be corrected. Ms. Shelley noted that Mr. Baker had indicated the tenants would have to be relocated regardless of what decision was made regarding rehabilitation. Mrs. Rogers suggested that the buildings be rehabilitated in phases and the tenants moved into the building as the units were renovated.

SPECIAL APPEARANCES (continued)

Mr. Arnold Townsend of WAPAC indicated the difference between displacing people to repair a building and evicting tenants permanently. He noted his belief that more housing was needed for people of low income and suggested that plans be changed to accommodate this need. President Wexler indicated his understanding that 1531 Sutter Street did not have to be demolished immediately and that the Agency could consider making Code repairs. Mr. Suttle again noted that the Agency has had its staff analyze 1531 Sutter and they had found that it would have to be vacated to be renovated. The building is illegally subdivided into a rooming house and there is no way work can proceed without having to move the tenants out. President Wexler inquired assuming that Judge Benson orders the eviction would the building be repaired or demolished, and Mr. Suttle reiterated the staff recommendation that it is economically infeasible to rehabilitate and that the site is slated for offering to developers. President Wexler inquired where the tenants would go, and Mr. Suttle replied that of all the tenants it appeared there was only one considered to be of low income. He added that there has been no opportunity to talk about relocation with the others but the low-income tenant wanted to find his own place and the Agency would reimburse him for his expense.

Dr. Williams noted that the Agency has a contractual agreement with WAPAC and its recommendation should be considered. He did not want CANE to think WAPAC was irrelevant. He believed that something should be done about the poor people in the buildings. Ms. Shelley concurred that the Members were concerned about people but noted that she did not see what could be done when Mr. Suttle indicated that the tenants would have to be removed to renovate the building. She indicated that if they were moved back after rehabilitation, the apartments would be larger and the rents more expensive. Mrs. Rogers suggested the Agency could do only the Code violation work in-house which would keep the cost down. Mr. Kaplan indicated that the Agency was not intended to be in the business of property retention and noted that that is the function of the San Francisco Housing Authority. Mrs. Rogers stated that the Agency owned 107 buildings and was responsible for maintaining them, but Mr. Hamilton concurred with Mr. Kaplan, explaining the Agency was responsible for redevelopment of areas and only rehabilitates buildings to make them habitable for a short time.

President Wexler indicated that the discussion was helpful and urged that staff and WAPAC work toward a solution. He suggested that interim housing could be found for the tenants while subsidized housing was made available to them. He commented that staff appeared to be making a good effort to deal with a difficult problem and commended all participants to continue efforts to find a satisfactory solution. Dr. Williams noted his concern for the sensitivity of the issue but proposed that the legal staff be directed to ask Judge Benson for additional time to resolve the problem.

SPECIAL APPEARANCES (continued)

MOTION: It was moved by Mr. Williams, seconded by Ms. Shelley, that the Members direct the legal staff to seek additional time to resolve the problems of the tenants in the buildings being heard by Judge John Benson on January 27, 1977, in Western Addition A-2. Ms. Shelley indicated that she was seconding the motion to allow discussion of the proposal.

Mr. Hamilton inquired if the motion included both 1531 Sutter and 1868 Buchanan Street or only 1531 Sutter and Dr. Williams indicated that he would amend his motion to pertain to only 1531 Sutter. Ms. Shelley concurred.

MOTION: It was moved by Dr. Williams, seconded by Ms. Shelley, that the Members direct the legal staff to seek additional time to resolve the problems of the tenants in 1531 Sutter Street being heard by Judge John Benson on January 27, 1977, in Western Addition A-2.

President Wexler requested staff to comment on the motion. Mr. Baker again noted his belief that Judge Benson would not consider continuing occupancy in substandard and hazardous buildings. Dr. Williams suggested that the Members adopt the motion as a good faith gesture and not anticipate the response of the Judge. In response to President Wexler's inquiry if Mr. Baker thought it would be detrimental for the Members to bind staff to make this request of the court, Mr. Baker indicated he would like the Members to direct the staff to do all it could to find a solution, but believed it was not the best policy to formally request the Judge for an extension.

Mr. Hamilton indicated that while there was no urgent developmental reason for retention of 1531 Sutter, he believed the motion would put staff in a peculiar position with the Judge. He noted the relocation benefits available to the tenants and that the representatives of CANE have interceded in allowing the tenants and staff to discuss the assistance available. He stressed that economical assistance is available and that he did not know what new benefits could be devised.

MOTION: It was moved by Dr. Williams, seconded by Ms. Shelley, that the Members direct the legal staff to seek additional time to resolve the problems of the tenants in 1531 Sutter Street being heard by Judge John Benson on January 27, 1977, in Western Addition A-2.

On roll call the following voted "Aye":

Dr. Williams

and the following voted "Nay":

Mr. Wexler

Ms. Shelley

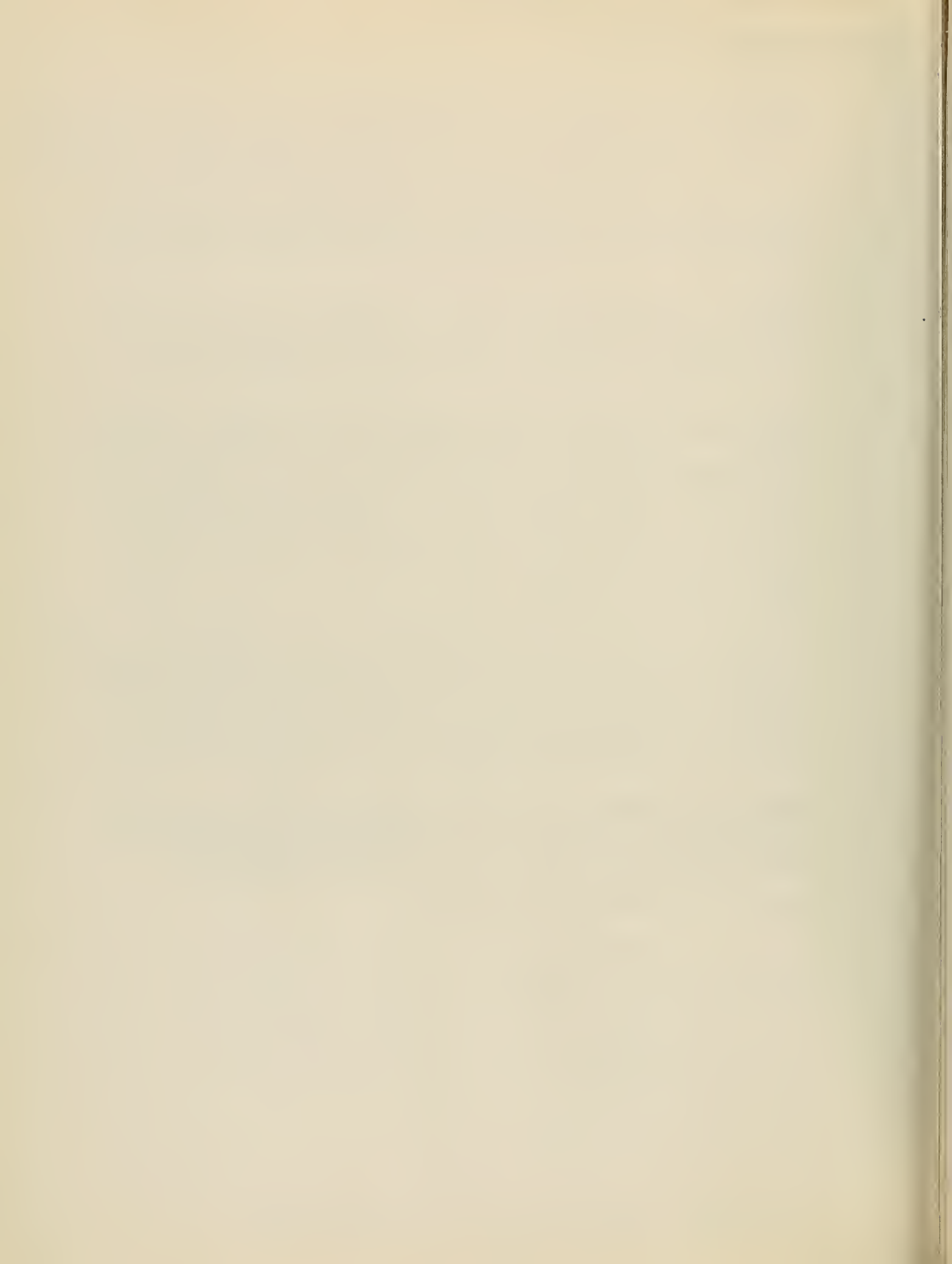
Ms. Blomquist

Mr. Kaplan

and the following abstained:

None

The President thereupon declared that the motion failed.



SPECIAL APPEARANCES (continued)

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-P, Western Addition Approved Redevelopment Project Area A-2.

- (b) President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-P, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

NEW BUSINESS

- (a) Resolution No. 15-77 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 1100-P, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this item was the subject of the public hearing just held and concerned 33-35 Beideman Place which was one of the twelve Victorian landmark buildings moved by the Agency and offered to the general public. The single respondent was the Foundation for San Francisco's Architectural Heritage which was designated developer and negotiated the buildings and sales and recommended the purchasers to the Members for approval. Two single men, Preston M. Smith and James E. Finnegan, will utilize the Agency's Rehabilitation Loan Program to carry out the purchase and rehabilitation of this property in compliance with City Codes and A-2 Rehabilitation Standards. The loan is \$60,000 and the purchase price was \$8,222. Five of the moved Victorians remain to be disposed of and there are purchasers available for all but one.

ADOPTION: It was moved by Mr. Kaplan, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

Ms. Blomquist inquired if these purchasers were certificate holders, and Mr. Suttle answered negatively. Mr. Arnold Townsend of WAPAC indicated that at the time of the offering there had been extenuating circumstances which discouraged certificate holders. That was the assumption that the purchaser would have to pay for the cost of moving the buildings and subsequently the Agency found the money and paid for movement of the buildings. He indicated his belief the buildings were now too expensive for certificate holders to purchase. President Wexler inquired how purchasers were selected, and Mr. Hamilton replied that it was either through the Heritage Foundation or direct contact with the Agency. He noted that initially the Agency was advised by HUD that the cost of the moves were not eligible expenditures and the agreement with Heritage Foundation was entered on that basis and subsequently HUD approved the moving costs.

- (b) Resolution No. 20-77 awarding a personal services contract to Martin M. Ron Associates, Western Addition Approved Redevelopment Project Area A-2.

This represents execution of an agreement with Martin M. Ron Associates for \$1,600 to survey a parcel to be sold to the Nihonmachi Parking

Corporation. This is necessary because of complex parcelization and the problem of matching the grade of the future parking lot to the existing and proposed grades of the private properties to be served by the parking lot.

ADOPTION: It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 21-77 authorizing general account in connection with the residential rehabilitation program for Western Addition A-2 Redevelopment Project Area, Wells Fargo Bank.
- (d) Resolution No. 22-77 authorizing a special reserve account in connection with a residential rehabilitation program for Western Addition A-2 Redevelopment Project Area, Wells Fargo Bank.
- (e) Resolution No. 23-77 appointing a loan committee for the Western Addition Area A-2 residential rehabilitation program, Wells Fargo Bank.
- (f) Resolution No. 24-77 authorizing an operating account in connection with the residential rehabilitation program for Western Addition A-2 Redevelopment Project, Wells Fargo Bank.

President Wexler indicated that these resolutions would be considered together. Mr. Hamilton noted that item (c) concerns the establishment of a general depository account for principal and interest deposits for the \$3 million rehabilitation loan agreement with the Wells Fargo Bank; item (d) concerns the establishment of a special reserve account for deposit required by the bank of \$100,000 per each \$1 million; item (e) concerns the appointment of a loan committee consisting of Mary Rogers, Essie Collins, Isabel Trelut, and James Stratten and a representative from the bank; item (f) concerns the establishment of an operating account for loan expenses, including tax and insurance impoundments. Also authorization is requested to designate certain staff as signatories for depositing and withdrawing funds from the general depository account, special reserve account, and operating account.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that these resolutions be adopted.

- (g) Resolution No. 26-77 authorizing the Executive Director to execute an agreement for replacement of existing gas lines in Phase III, Hunters Point Redevelopment Project.

This concerns execution of a contract with Dalton Construction for \$13,800 to replace gas pipelines serving thirteen structures in the Hunters Point project area. Replacement of the lines is being done to bring the Agency into compliance with the National Gas Pipeline Safety Act of 1968 and failure to correct the deficiency would subject the Agency to fines of up to \$1,000 per day. The lines are corroded and because of the emergency nature of the work it is recommended that the Members waive the regular bidding procedures and select Dalton Construction, which was the lowest of the four firms responding to the verbal bid invitation.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 16-77 approving agreement for fencing services with Alameda Fence Company, all projects.

This concerns a one-year contract with the Alameda Fence Company, the lowest of three bidders, for \$60,000 to provide fencing for Agency-owned cleared properties on all projects. Mr. Hamilton indicated that the firm had a good affirmative action program.

ADOPTION: It was moved by Mr. Kaplan, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (i) Resolution No. 27-77 travel authorization.

This concerns a request for travel for Mr. Arthur F. Evans, Consultant, to travel to Washington, D. C., on January 26-28, 1977, to meet with HUD officials regarding the Agency's "urgent needs" funding request and also with the National Association of Housing and Redevelopment Officials (NAHRO) on Community Development funding a legislation.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (j) Resolution No. 17-77 amending the by-laws pertaining to the positions of Deputy Executive Director for Planning and Development, Deputy Executive Director for Community Services, and Assistant Executive Director for Finance and Administration.
- (k) Resolution No. 19-77 amending Resolution No. 107-76 adopted June 15, 1976, establishing classifications and compensation schedules for Agency staff.
- (l) Resolution No. 18-77 appointing Redmond Kernan as Deputy Executive Director for Planning and Development, Arnold Baker as Deputy Executive Director for Community Services, and Jane P. Hale as Assistant Executive Director for Finance and Administration, effective January 12, 1977.

President Wexler indicated these three resolutions confirm the proposed reorganizational structure changes which had been agreed upon in the executive meeting of January 11, 1977.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Kaplan, and unanimously carried that these resolutions be adopted.

ADJOURNMENT

It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:40 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

77

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF FEBRUARY 1977

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of February 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice-President
Dian Blomquist
Walter F. Kaplan
Dr. Hannibal Williams

DOCUMENTS

MAR 1 1977

SAN FRANCISCO
PUBLIC LIBRARY

and the following was absent:

James A. Silva

The President declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were present.

Also present were Arnold G. Townsend, Benny Stewart, and Gene Stanal, Western Addition Project Area Committee (WAPAC); Richard Livingston, Reality House West; Dr. Rayford C. Reddell, San Francisco Hearing and Speech Center; Deputy Loretta Whitehead, James Shine, David Jenkins, Jr., Deputy Sheriff Cecelia Wilson, Judy Green and Lonnie Baker, San Francisco Sheriff's Department; Claude Carpenter, Willa Jones and Frank Whitfield, Bayview-Hunters Point Joint Housing Committee; Gerald Johnson, Black Business; Willie Beasley, K & B Guard Service; Allen Jordan, Robert Harris, Conrad Branner, Robert Brown, Donald Hughes, and Joseph Williams, New Breed Community Development; and Charles Walker, and Mic Sotto, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Kaplan, and unanimously carried that the minutes of a Regular Meeting of January 25, 1977, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) Last week a presentation was made by representatives of CANE to the Members concerning a hearing before Judge John Benson on the structures at 1531 Sutter and 1856 Buchanan Street. At a court hearing on January 27, 1977, Judge Benson reaffirmed his order to vacate those buildings immediately. The Judge indicated his belief that it was a public obligation to ensure that there would be no loss of life or property in connection with such substandard buildings. Mr. Hamilton noted that the vacate order does not relieve the Agency of its responsibility to provide relocation assistance to the tenants.

- (b) The Department of Housing and Urban Development (HUD) has approved the 1977 Community Development budget and indicated its pleasure at the City's progress in executing the program.
- (c) A meeting was held with representatives of Yerba Buena West, the designated developer of the parcel partially occupied by the Imperial Hotel. The proposed development schedule for the parcel was particularly explored. The group has received a letter from the University of California indicating strong interest in development of the site for a facility for continuing education in the medical field. This is a significant and potentially exciting development. The letter indicated additional time would be needed to permit preparation of a feasibility study and to obtain a construction commitment. Mr. Hamilton noted that one to two years' time would be needed to complete this work. Mr. Hamilton indicated that the Imperial Hotel occupied a portion of this parcel and that it would be considered later on the agenda.
- (d) The Board of Supervisors has confirmed the appointments of Messrs. Rubin Glickman and Melvin D. Lee as Members of the Agency and they will be sworn in Friday, February 4, 1977, at 11:00 a.m. in the Mayor's office.
- (e) The next regular Agency meeting will take place on Monday, February 7, 1977, at the Chinese Cultural and Trade Center, 750 Kearny Street, San Francisco. This will be the first Agency meeting held in Chinatown.

UNFINISHED BUSINESS

- (a) Consideration of the Imperial Hotel, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that at the January 4, 1977, meeting the Members had allowed four weeks within which interested groups were to determine the feasibility of an interim use of the Imperial Hotel at 140 Fourth Street in Yerba Buena Center. It was also specified that the use would need to meet the development schedule of Yerba Buena West, designated developer for this parcel. The developer's representative, Bryon Nishkian, has indicated that from one to two years will be required for the work necessary to prepare the development for construction. Mr. Hamilton reported that it appears two groups are considering the possibility of using the hotel on an interim basis, and these were the Women's Center for Work and Education Furlough of the San Francisco Sheriff's Department and Reality House West. He noted that representatives of the Sheriff's Department were present and would report on the proposed use of the building and the extent interim repairs would be necessary. Mr. Hamilton indicated that Mr. Richard Livingston of Reality House West was also present and would comment on use of the hotel. President Wexler indicated that the Members would be pleased to hear from each group and would then ask questions.

Deputy Sheriff Cecelia Wilson of the Women's Center for Work and Education Furlough of the San Francisco Sheriff's Department came forward and indicated that the department's work program was presently housed in inadequate facilities in the City prison at San Bruno. For that reason the department was interested in using the first two floors of the Imperial Hotel to house women serving from six months to one year for misdemeanor crimes. President Wexler inquired if there was a financial analysis of the cost of correcting the life safety hazards of the structure and Mr. David Jenkins, Jr., Director of the San Francisco Phoenix Corporation, answered affirmatively. He indicated that his

UNFINISHED BUSINESS (continued)

group would donate 950 hours of labor and would require one and one-half months to complete the work. This work would include cleaning up the entire building and removing trash from all floors at no cost to anyone except possibly a \$100 dumping fee. All old carpeting would be removed and perhaps new carpeting installed, and furniture already in the building would be repaired and used. The essential plumbing and electrical work is also included in the estimate; however, the estimate for rerouting the heating system from the steam fitters is not completed. The rerouting is necessary to block off heat going to the upper floors. Mr. Jenkins indicated that the basic sanitary work would be about \$2,000 and it appeared this could be paid by the Sheriff's Department. He noted also that an extension was needed for the fire escape which would be about \$2,500 if contracted out. He estimated that the total investment to make the building habitable for this use was approximately \$5,000. He indicated that he did not know if the Agency could pay for the work or not, but noted the cost savings that would be realized from the labor donated by San Francisco Phoenix Corporation. He also indicated that the occupants would be under 24-hour supervision by deputies and thus protect the entire building and this service had a certain value. He noted that the inspectors from the Bureau of Building Inspection had walked through the building with him and that it would be necessary for him to clear the final proposal with the Bureau. He reiterated that his estimates were not entirely conclusive without the steamfitters costs. He stressed his belief that the work furlough program provided a great social benefit and was unique in that it helped women to work and prepare for the time when they would be released. He strongly urged the Members to support the program.

Mr. James Shine, Director of Rehabilitation for the Sheriff's Department, came forward and indicated that the building would be considered for temporary use for the Women's Center for Work and Education Furlough program which was in danger of losing its totally inadequate facility at City prison. He indicated this was only an interim proposal and that the Sheriff's Department was attempting to work out a long range solution. The Department intended to do whatever was necessary to give the program an opportunity to be successful. He stressed the need for the women to have an opportunity to spend their time in a setting other than the San Bruno jail.

Ms. Lonnie Baker came forward and indicated that the Women's Center work program has given her a chance to work and establish herself in the community. She had never had the opportunity to exist without stealing. She stressed the discomfort experienced by the women in the City jail and that she hoped the hotel could be used. Mr. Jenkins indicated that San Francisco Phoenix Corporation wished to aid in providing facilities for women prisoners and even if the Agency provided the \$5,000 to make the hotel usable, it would be a relatively low payment for guarding the building for two years.

Ms. Shelley inquired of Mr. Jenkins whether the repairs he proposed to do would bring the occupied floors up to code requirements for health and safety, and Mr. Jenkins replied that the final proposal had yet to be approved by Mr. Robert Levy, Superintendent of the Bureau of Building Inspection. The concept has been presented to inspectors from the department, but the proposal must be acceptable to Mr. Levy, after which a formal petition to do the work would be transmitted from the Sheriff's Department to the Bureau of Building Inspection. Ms. Shelley inquired about the existing cleaning business on

UNFINISHED BUSINESS (continued)

the ground floor, and whether there was a place for it in the plans. Mr. Jenkins indicated that the proposals did not affect that use and the space was not needed. Ms. Shelley also inquired about the group's understanding that use of the building would be on an interim basis and asked if there was any clear-cut guarantee when the site was needed for development that the Sheriff's Department would move out, and Mr. Shine indicated that the department understood the situation and would move when requested.

Mr. Hamilton inquired if only the first two floors would be used and Mr. Jenkins answered affirmatively noting that all floors above would be sealed off. Mr. Kaplan inquired what constituted the first floor, and Mr. Jenkins responded it was the street level lobby area. Ms. Judy Green of the Sheriff's Department came forward and indicated that basically the ground floor would be used for a lobby and office space and the floor above would be used for a residence. Mr. Jenkins stressed that the rest of the building including the elevator would be blocked off and there would be a 24-hour surveillance in the areas to be used. In addition, the women are not locked up and could evacuate if necessary. President Wexler inquired if it was a correct assumption that women residing in the hotel would be under direct control of the Sheriff's Department while serving out their terms, and Deputy Sheriff Wilson answered affirmatively. President Wexler noted there would be no tenant and landlord relationships established between the Agency and the occupants of the hotel so that later when the Agency needed the site and the jails were still full, he wanted assurance that the building would be returned to the Agency. Deputy Sheriff Wilson replied this would aid the program in getting started. When the women are moved into the community and they pay rent, the program will become self-funding to a certain extent. Mr. Shine indicated that the jails have been crowded before and, if necessary, a place could be found to reabsorb the 25 women in the program. Ms. Shelley inquired how much time was needed for Mr. Jenkins to complete his study and he replied that two weeks would be needed to finalize the proposal and review it with Mr. Levy. He indicated he had spoken to Mr. Levy and was told that when the study was complete he would review it and make a determination, but noted that Mr. Levy appeared to be unfavorably predisposed to the proposal. Mr. Jenkins believed this was because of a mistaken idea that the residents would be locked up. Ms. Green reaffirmed that the process would take two weeks.

Mr. Richard Livingston of Reality House West came forward and indicated he was representing Mr. Leroy Looper who was unable to be present. He thanked the Members for the opportunity to make a presentation of the purpose and position of Reality House West. He endorsed the proposal of the Work Furlough Program and urged that they be granted two weeks' time in which to finalize their plans. He indicated that Reality House West was now ten years old and was currently in four different locations in San Francisco and wished to centralize its services for outpatients and administration into one location. He stressed that the group was interested in using the entire hotel and wanted it on a permanent basis. He indicated that Reality House West was actively seeking a hotel downtown in which to locate and if they could have the Imperial Hotel they would establish a facility serving the residential and cultural needs and providing administrative services for men and women releasees of jails and prisons. Mr. Livingston stressed that Reality House was seeking a permanent location. It was his understanding that the current developer of

UNFINISHED BUSINESS (continued)

the parcel was in default and suggested that if another developer were to be sought, Reality House West would be interested in the Imperial Hotel. He indicated that he had worked as a social scientist for the past fifteen years and as a small businessman and noted that he differed with Mr. Kaplan's statement that bringing ex-offenders into this location would scare off other developers, although he respected that opinion. He indicated that if ex-offenders were integrated into the central city where the jobs were, it would be preferable to arresting people and sending them to San Bruno or containing them in the ghettos. He urged that the hotel be retained as it had potential use and should not be torn down. He again noted that he favored the proposal of the Sheriff's Department but asked that Reality House West also be considered as a developer for permanent use of that building on a long-range basis. President Wexler indicated that the Members wanted Yerba Buena Center to go forward and that there would be only a two-year interim period before a major development would proceed on the site. He suggested that there may be some other location more suitable for use by Reality House West.

Mr. Hamilton indicated that staff was concerned about correction of hazards and safety in connection with reuse and noted that it appeared the Sheriff's program still has some evaluations to be made yet and it would be necessary to have Mr. Levy's approval of the proposal prior to acting on the matter. He also expressed concern that the site be available when the developer is ready to proceed. Mr. Hamilton indicated that since the Phoenix Corporation required more time, Yerba Buena West planned to submit a letter indicating its time schedule, and one of the Members who was particularly interested in the matter would be absent on February 15, it would appear that 2-3 weeks would be needed before the Members again consider the matter.

MOTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, that further consideration of the Imperial Hotel be held on February 22, 1977, and on roll call the following voted "aye":

Mr. Wexler
Ms. Shelley
Ms. Blomquist
Mr. Kaplan
Dr. Williams.

and the following voted "Nay":

None

and the following abstained:

None

The President declared the motion carried.

NEW BUSINESS

- (a) Resolution No. 25-77 authorizing the Executive Director to contract with the Bayview-Hunters Point Joint Housing Committee as the project area committee for the Hunters Point and India Basin Industrial Park projects.

NEW BUSINESS (continued)

This represents an agreement with the Bayview-Hunters Point Joint Housing Committee to act as the project area committee for the Hunters Point and India Basin Industrial Park areas for an eleven-month period from February 1, 1977 to December 31, 1977 for \$70,000. The Committee will work with the site office staff in relocating the remaining tenants, reviewing proposed development, monitoring compliance with affirmative action and safety regulations, monitoring construction quality and progress, programming future project activities, selecting consultants and Agency staff, and organizing and stimulating greater citizen participation in all community activities. Five staff people will serve the community on this contract which was previously under the Model Cities program which is being phased out.

Mr. Kaplan requested that the item be held over for one week so he could review it more completely since it had been several years since the Agency dealt with the Joint Housing Committee. Mr. Hamilton indicated the delay would create a time problem for the Joint Housing Committee and Mrs. Hale noted that the Model Cities funding had expired on January 31st. Mr. Kaplan expressed his dissatisfaction that the contract had not been calendared earlier. He wished to compare it with the WAPAC contract. President Wexler indicated he was willing to accommodate Mr. Kaplan's need for additional time to study the proposal but noted that there seemed to be a funding problem. Mr. Earl Mills, Area Director for Hunters Point and India Basin, apologized for the immediacy of the request for action and indicated that although negotiations had begun in November and continued through December, it had not been possible to set up a community workshop to give all members of the Joint Housing Committee a chance to understand what was proposed prior to January 22, 1977. It was only after this workshop that the staff could formalize the budget. The time problem results from the timing of the Community Development year which ends on February 1, 1977. President Wexler suggested that the item could be approved at the next meeting retroactively to February 1, 1977, but Mr. Kaplan withdrew his request for additional time. Dr. Williams believed that the young people of the community should start off with the cooperation and willingness on the part of the Agency to encourage them in citizen participation. President Wexler reiterated his willingness to suggest a week's delay if Mr. Kaplan wished more time to study the matter but Mr. Kaplan indicated he was ready to vote on the matter but requested a comparison of the WAPAC and the Joint Housing Committee agreements and President Wexler indicated they would be sent to him.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

Mr. Hamilton indicated that Mr. Claude Carpenter, Chairman of the Bayview-Hunters Point Joint Housing Committee, was present and wished to comment. Mr. Claude Carpenter came forward and indicated his appreciation for the Members' approval of the agreement. He noted that he was also president of the New Breed Development Corporation. Mr. Carpenter stressed the need for jobs in the Hunters Point area and noted that it was not his intention to stop any contracts but felt that it was important to demonstrate that there is a lack of jobs and training programs for those men who are unskilled as carpenters, plumbers, electricians, and in other trades. He indicated the difficulty in obtaining jobs because the unskilled were not union members and he believed there was a need to open up more training programs which were not in the labor field. He indicated his support of the Affirmative Action Program, although it was inadequate to meet the need. He noted that contractors such as Goldrich and

NEW BUSINESS (continued)

Kest, Inc. and DeNarde would help activate training programs if the City would support them. He asked the Members' endorsement of his request to the Mayor for support and recognition that the problem is lack of skills preventing people from getting into the unions. The residents do not have jobs and feel that they will be forced out of the neighborhood. He did not want to wait until a crisis arose to bring the problem to the attention of public officials. He asked for the Members' support before he went to the Mayor. He indicated that many of the young men could not get employment due to lack of skills and that in some cases they needed a high school education; however, he believed they had human resources and had demonstrated this in such community services as voluntarily cleaning and sweeping the streets in the community and assisting older people.

Ms. Shelley asked Mr. Carpenter if it was correct to say he was requesting that the Agency urge a continuing dialogue between the Joint Housing Committee and the unions with the view of increasing apprenticeship programs in order to train residents to qualify for construction jobs in the Bayview-Hunters Point area, and Mr. Carpenter agreed in this.

Dr. Williams inquired if CETA or Community Development funds could be used to develop a pre-apprenticeship program to prepare these young men for application to the unions. Mr. Carpenter replied that a proposal was being put together but stressed that such a program should be adequate to provide the men with a salary. Time would be needed to get the program going.

Mr. Charles Walker came forward and indicated that contract under Goldrich and Kest had opened up some opportunities. He deplored the fact that there was a possibility that the Bay Cities firm could be in the community after the tragic accident occurred. He also noted that O. C. Jones has not started yet and that the Agency should have firms move faster to get jobs started. He urged that both Bay Cities and O. C. Jones get out of the area since the community claimed that jobs were being held up. He asked that the Members get the contracts underway so people could work. He indicated that Goldrich and Kest were doing an excellent job and employed about 57 percent of their crew from the community. He also deplored the fact that even though the community did not want Bay Cities the Agency had permitted them to bid a job.

President Wexler indicated that staff had communicated the community's concern to the Members but noted that according to the law the Agency must allow everyone to bid. Mr. Walker indicated there was too much unemployment in the community and that the Agency should see that the contractors and unions comply since there is no work for community people. He agreed with Mr. Carpenter's request as stated by Ms. Shelley.

MOTION: It was moved by Ms. Shelley that the Agency urge continuing dialogue between the Joint Housing Committee and the unions with the view of increasing the apprenticeship program for training Hunters Point residents to qualify for construction jobs in that area.

Dr. Williams indicated his agreement with Ms. Shelley's proposal but urged that a stronger expression be used than "continuing dialogue" and proposed a

NEW BUSINESS (continued)

motion that the Agency fully supports the efforts of the Joint Housing Committee in securing employment and training for young people in the community and urge the Mayor and the labor unions to involve themselves in positive action to implement such a program.

Mr. Hamilton indicated that there was a nuance in Dr. Williams' address which appeared to concern Mr. Carpenter because he asked that the Agency now join the community in appealing to the Mayor for a commitment for some positive action.

Mr. Willie Beasley of the K and B. Guard Service came forward and stressed his belief that there was need for training people in old crafts, not just labor unions, and requested all professions and unions be urged to participate. He also noted that there should be assurances that when a project was finished the apprentices would still have an opportunity to work.

Ms. Shelley withdrew her motion to allow Dr. Williams to propose a motion for consideration.

MOTION: It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that the Agency's policy is to fully support the Bayview-Hunters Point Joint Housing Committee and the New Breed Corporation in seeking employment training for young people of the community from the unions with the view of increasing the apprenticeship training for Hunters Point residents to qualify for union jobs in that area and the Agency also urged that the Mayor and the unions join in support of these efforts.

- (b) Resolution No. 30-77 authorizing execution of agreement for community development services with the City and County of San Francisco for the 1977 community development program year.

This concerns execution of the 1977 community development agreement for the Agency's use of \$15,177,793 which is 53 percent of the City's block grant providing for expenditure of funds for project activities. A \$13 million urgent needs fund application is pending, and \$17 million was received last year from the block grant. Of this \$15,177,793, Western Addition A-2 would receive \$4,943,981; Hunters Point \$6,843,861; India Basin Industrial Park \$3,290,039; and the Stockton/Sacramento Project \$99,922. Mr. Hamilton indicated that this did not represent all the funds needed to maintain the present program but would finance the projects for 1977.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 32-77 awarding Site Improvement Contract No. 21 in the Western Addition Approved Redevelopment Project Area A-2 to Valentine Corporation.

This concerns award of Site Improvement Contract No. 21 in Western Addition A-2 to the lowest of three bidders, Valentine Corporation of San Rafael, for \$21,444 for construction of a retaining wall to replace a structurally unsound wall. This would enable development of an Agency-owned parcel and assist construction of an adjacent development of the Little Zion Baptist Church at the corner of Ellis and Divisadero Streets. Dr. Williams indicated that this church was a small one that had struggled to build its own new building and this award would make it possible for them to move ahead safely.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 33-77 awarding Site Improvement Contract No. 20 in the Western Addition Approved Redevelopment Project Area A-2 to Andre Landscape Contractors, Inc.

This item concerns award of Site Improvement Contract No. 20 in Western Addition A-2 to the second lowest bidder of three, Andre Landscape Contractors, Inc. of San Rafael, for \$35,940 for planting of 240 street trees. The lowest bidder was Vic Sotto but since there were substantial errors in his bid it was recommended that the second lowest bidder be awarded the contract. Mr. Sotto is not qualified to perform the work involved, and he has asked that his bid be withdrawn. There was some question of the low bid and if staff in evaluating that Mr. Sotto was to have known he was not qualified before submitting his bid the Agency could recommend forfeiture of the bid bond; however that could be waived. The Agency did not want to encourage bidders to make errors in their bids and then withdraw their bids. However, it was determined that this was a small minority owned firm which had made errors in computation and it is recommended that Andre Landscape Contractors, Inc. be awarded the bid and request be made to waive the right to forfeit the bid bond from Mr. Sotto.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 29-77 designating San Francisco Hearing and Speech Center, a non-profit corporation, as redeveloper of Parcel 1127-B; directing the Executive Director to publish a notice of public hearing in connection with the proposed disposition of said parcel in the Western Addition Approved Redevelopment Project Area A-2.

This concerns designation of the San Francisco Hearing and Speech Center as the developer of Parcel 1127-B, located on the east side of Divisadero between Ellis and Eddy Streets in the Western Addition A-2 project. The price is \$29,300 for a 13,774 square foot parcel and this was the only proposal received. The Center would construct a two-story wood-frame 12,000 square foot classroom and outpatient treatment facility scheduled for construction in the fall of 1977. The redeveloper would have until June 1, 1977 for execution of the disposition agreement and during this time arrangements for financing would be explored. President Wexler inquired if any plans had been submitted, and Mr. Quintin McMahon, Director of Real Estate, Marketing and Business Services, indicated that there was a site plan which was consistent with the offering response.

MOTION: It was moved by Dr. Williams, seconded by Ms. Shelley, that this resolution be adopted.

NEW BUSINESS (continued)

Mr. Arnold Townsend of the Western Addition Project Area (WAPAC) came forward and expressed concern about the designation, indicating that it was his duty to report that the Planning and Development Committee of WAPAC had not seen any plans and he believed there could be better use made of the land, such as housing, since Divisadero Street was now an important thoroughfare for the community. He believed there was no need to rush into the designation and that it was more important for staff to discuss the Speech and Hearing Center's affirmative action program which he did not believe was adequate. He indicated that of the Center's 27 employees, only four were minority and he believed that it was best to discuss such inadequacies at an early date before they became major problems. Ms. Blomquist inquired if a week's delay would help in solving the affirmative action problems with the Center, and Mr. Gene Suttle, Area Director for Western Addition A-2, recommended that the Agency proceed with the Center as the redeveloper. He indicated that this was one aspect the Center would be discussing during the negotiating period. Mr. Suttle indicated that Dr. Rayford D. Reddell treated over 2,300 patients, of which 850 were black and over 50 percent were minority. President Wexler asked Mr. Townsend if this alleviated his concerns and Mr. Townsend reiterated his belief that the use of the land should be better and that WAPAC did not want to work the problem out later because once designation is made, WAPAC loses its leverage. President Wexler noted that Mr. Townsend could come before the Members if the discussions were not satisfactory and could be present when the disposition agreement comes up for approval. Mr. Townsend indicated that he recommended the land be put out to bid again, but in the meantime, he would be willing to talk with Dr. Reddell.

Dr. Williams inquired about the possibility of establishing a condition that the Center will have to come to a satisfactory resolution of the affirmative action and indicated that if such a guarantee could not be obtained from the Center, he would withdraw his motion. Mr. McMahon indicated that the matter before the Members was in response to a public offering and that the proposed development of the property was consistent with the terms of that offer.

Dr. Rayford C. Reddell, Director of the San Francisco Speech and Hearing Center, came forward and indicated that the Center had an acceptable affirmative action program and was a United Way agency. He indicated that 17 of the staff were licensed audiologists and speech therapists and that among licensed professionals in the field, only a small number were minorities; therefore, it was difficult to provide a desirable affirmative action ratio. He stressed that half of the patients served by the Center were from minority groups. Dr. Williams inquired what the ethnic composition of the staff was and Dr. Reddell responded that of the professional staff of 17, three were black and one was Asian. President Wexler inquired if Dr. Reddell had any problem working with WAPAC in working out an affirmative action program. Dr. Reddell responded that he saw no problem. Dr. Williams asked if the professional staff were frozen or if there were openings, and Dr. Reddell responded that there was occasional turn-over.

NEW BUSINESS (continued)

Mr. Benny Stewart indicated that when new development displaces people, then WAPAC wants these people to be given jobs in that area. He indicated that WAPAC had a memorandum of understanding which could be used to work this out.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Shelley, and carried unanimously that this resolution be adopted.

Mr. Kaplan left the meeting at 6 p.m.

- (f) Resolution No. 34-77 amending agreement with Coast House Movers, Inc., for the move of buildings, Western Addition Project Area A-2.

This concerns amending the Coast House Movers, Inc., contract to permit a performance bond requirement to be modified so that when the contractor qualifies for the 90 percent contract payment he is also permitted to reduce the required bond to 10 percent. Present arrangements do not accommodate delays which are beyond the contractor's control.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 31-77 authorizing payment of \$200 in settlement of the claim of Donald Williams, Western Addition Project Area A-2.

This concerns payment of a \$200 claim from Donald Williams for reimbursement covering water damage caused by a malfunctioning sprinkler to his personal possessions. Staff has verified his claim as being equitable.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 28-77 authorizing travel.

President Wexler indicated that this item was cancelled at the request of staff.

ADJOURNMENT

It was moved by Dr. Williams, seconded by Ms. Shelley, and carried unanimously that the meeting be adjourned to executive session. The meeting adjourned at 6:05 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

77

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF FEBRUARY 1977

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the Chinese Culture Center of San Francisco, 750 Kearny Street, in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of February 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Walter F. Kaplan
Melvin D. Lee
Dr. Hannibal A. Williams

DOCUMENTS

MAR 1 1977

SAN FRANCISCO
PUBLIC LIBRARY

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Lyman Jee and Ernest DeManty, Arcon, Inc; Dr. Rolland Lowe and Dr. Shirley Sun, Chinese Culture Center of San Francisco; Phil Chin, Chinatown Coalition for Better Housing; and representatives of the Chinese community.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and Donald Canter, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the minutes of a Regular Meeting of February 1, 1977 and the minutes of an Executive Meeting of February 1, 1977, as corrected and as distributed by mail to the Members, be approved.

President Wexler indicated that the Members were delighted to be meeting at the Chinese Culture Center and to welcome the new Members of the Agency, Messrs. Rubin Glickman and Melvin D. Lee. He noted that while meeting at the Center, the presence of the first Chinese-American Member of the Agency was particularly appropriate. He indicated that at the end of the meeting there would be a tour of the Han and T'ang Dynasty murals on display from the People's Republic of China.

SPECIAL APPEARANCES

- (a) Mr. Wilbur Hamilton, Acting Executive Director, also welcomed Messrs. Glickman and Lee as new Members on behalf of himself and the staff. He noted that he looked forward to working with the new Members. He introduced Dr. Rolland Lowe, President of the Chinese Culture Center.

SPECIAL APPEARANCES (continued)

Dr. Lowe welcomed those present on behalf of the Chinese Culture Foundation of San Francisco and indicated gratitude to the Agency and staff, particularly to Mr. Mel Ury, Project Director, for the Agency's support of the Center. He indicated that since many of those present may not be aware how the Center came into being, he would like to give some background on the development. He noted that in 1965 when this particular site was being offered by the City, it was thought in the community that whatever would replace the old Hall of Justice should provide a community-related service. At that time a group of citizens began to develop the concept of a cultural center. Mr. J. K. Choy and thirty-two others formed the Foundation and worked with the late M. Justin Herman to perform what Dr. Lowe described as a "small miracle". He indicated that it has taken about twelve years to develop the Center. During that time the Agency found a developer for the site who proceeded with the construction so that by the time the Foundation was ready to proceed the structure was built. Therefore, many problems arose and the area originally allotted to the Center was one floor with only twelve-foot ceilings. To provide the space needed for performing arts it was necessary to redesign the plans. The interior improvements to achieve the desired space cost \$500,000. The Center, however, pays only \$1 per year for fifty years, plus assurance of ten additional years also at the \$1 rate. He indicated that Messrs. Ury and Ed Ong, the Agency's Chief Architect, had been indispensable in assisting the Foundation in solving its problems and in bringing the Center to completion. He indicated that the Center was the most used facility in Chinatown where approximately forty-five organizations share the space with the Foundation. Every week there is some cultural activity taking place in the Center. He stressed the dedication and hard work it had taken to develop the Center and his pleasure in having everyone share in the joy of this occasion.

Mr. Hamilton thanked Dr. Lowe for his remarks and introduced Dr. Shirley Sun, Director of the Chinese Culture Center, to comment on the Center's activities and also to discuss the Han and T'ang Dynasty murals. Dr. Sun indicated that she was pleased to see everyone present. She commented that she had only attended one Agency meeting and that had been ten years previously during the early days when the Chinese Culture Center was being considered and now it was fitting to have this meeting in the Center which has become a reality. She noted that not only was it unique on the West Coast but there was no other cultural center like it in the United States. She indicated that the Center provided a forum for expression of Chinese artists. The Center is also designated as a San Francisco neighborhood art center and serves more than forty community groups. She explained that the auditorium which seats 500 people is now being used to display the Han and T'ang Dynasty murals and that ordinarily the mezzanine is used as an art gallery. The Center also has workshops, classrooms, office space and meeting rooms, as well as a planned reading room. It serves young people, school children, and senior citizens and has programs conducted in Cantonese, Mandarin, and various other dialects, as well as English. There are film and lecture series, teacher training workshops, cultural workshops for children, an exhibition of performing arts, an orchestra for young people, folklore programs for adults, and social projects done in conjunction with the Department of Health, Education and Welfare. Dr. Sun noted that the 141-mural Han and T'ang Dynasty exhibit was the largest and most significant program to date, and during this first week the exhibit has been open over 8,000 people have viewed the wall paintings, which were found in ten different tombs in China. She credited the Agency for having made the Chinese Culture Center possible and again thanked Mr. Ury for struggling along with the Culture Foundation to bring the Center into being.

SPECIAL APPEARANCES (continued)

Mr. Hamilton thanked Dr. Sun for her presentation and suggested that Messrs. Ury and Ong share their reflections about the Center. Mr. Ury indicated that its history was unique and that there were many misunderstandings about it. In the 1850's the bay came almost up to Kearny Street and Portsmouth Square was the first area to be settled. The site on which the Chinese Center now stands was once the location of a music hall where Jenny Lind once sang. More recently, it was the site of the old Hall of Justice which was an attractive building, but when the new Hall of Justice was built on Bryant Street the City offered the old building for sale but there were no interested purchasers. Again in 1963 the City attempted to auction it off and there were still no takers. In 1965 leaders of the Chinese community requested former Mayor John Shelley to see what could be done with the site that would benefit the community. By then the City was eager to get the land back on the tax roll, have it increase the tax base, receive cash for the site, and provide a cultural facility and visitor's attraction. Mayor Shelley sent the Chinese group to the Agency to see how all of these objectives could be achieved. The Agency agreed to try and fulfill all the requirements. The Agency invited proposals for development of the site and of the five received, four were for new construction and one was for rehabilitation of the old Hall of Justice. The proposed rehabilitation of the building was infeasible because of extensive vandalism during the time it was unoccupied. Two viable proposals were withdrawn for financial reasons. However, one developer, Justice Enterprises, continued to indicate an interest in the site. The project is the only City redevelopment project developed under State law without Federal funding.

Mr. Ury indicated that a Redevelopment Plan was approved by the Board of Supervisors in November 1965 and in January 1967 Justice Enterprises was designated as the developer of the Center. The Plan stipulated that the developer was to provide 20,000 square feet for cultural space for use by the community at \$1 per year under a lease agreement based on an anticipated sixty-year life of the building. The space for the Center was provided at no cost to the community; however, the building was completed before the Chinese Culture Foundation had designed its interior, and by that time the costs had escalated to such an extent it was difficult for the community to fund the Center. The developer's contribution was \$1 million, or seven percent of the construction costs. The developer also contributed \$44,000 while the property was in escrow so that the Chinese Culture Foundation would have some seed money. In addition, the developer donated an additional \$70,000 towards completing the interior. Mr. Ury commented that Justice Enterprises had been a generous developer and compared its seven percent contribution to the customary one percent art contribution by other developers.

Mr. Ong came forward and indicated that a City Planning required study had considered having a pedestrian walkway from Portsmouth Square to the Golden Gateway which was to represent a symbolic link between Chinatown and the Golden Gateway. During the design of the building, the landscape architect began studies on the bridge. There were many bridge designs and many meetings between architects, community groups, and City Departments before a design was finally approved. At least twenty-three separate public hearings were held, and after the preliminary design was established the developer went to Taiwan and retained a Chinese architect, C. K. Chen, to do a final bridge design which was to reflect the contemporary Chinese character incorporating artifacts, such as the bronze lanterns which were donated by Taipei, San Francisco's sister city. Justice Enterprises then built the bridge and replaced the equipment in the playground below in Portsmouth Square at a cost of \$650,000 for these two items alone. Mr. Kaplan indicated that this was a very simple description of a long and complex process.

SPECIAL APPEARANCES (continued)

Mr. Hamilton thanked Mr. Ong for his presentation and introduced Mr. Phil Chin, Co-Chairman of the Chinatown Coalition for Better Housing. Mr. Chin welcomed everyone to Chinatown on behalf of the Coalition and indicated his concern about the lack of housing in Chinatown, noting his group wished to involve the Agency in solving the community's housing needs. Mr. Hamilton noted that the Agency shared his concerns about the inadequacy of housing in the community and suggested that a presentation on this issue be made at an Agency meeting. Mr. Chin indicated that at this point the Coalition did not have any accomplishments to talk about and efforts to improve housing conditions in Chinatown had thus far been a frustrating experience. He invited the Members to join with the Coalition to improve housing in the community. Mr. Hamilton invited Mr. Chin to appear before the Members on March 1, 1977 and outline areas where the Agency could serve the community. President Wexler also extended the invitation to other persons in the community who might wish to speak on this major problem. He stressed that people with an awareness of the problems needed to work together and contribute their ideas before any solutions are reached.

BUSINESS

- (a) Resolution No. 35-77 extending exclusive negotiating rights jointly to the Presbyterian Church in Chinatown and Arcon, Inc. for the purchase of the project area in the Stockton/Sacramento Approved Redevelopment Project until December 31, 1977.

This concerns an extension of negotiating rights for the Presbyterian Church in Chinatown and Arcon, Inc. to December 31, 1977 to permit completion of working drawings and an application to the Department of Housing and Urban Development (HUD) for a firm commitment. Construction is expected to start August 1977 on development of 175 units of housing for low- and moderate-income families and elderly households and on a 201-car public parking garage. Mr. Kaplan inquired about the status of the environmental lawsuit against the project. Mr. William Mason, Acting Director of Planning and Programming, indicated that the lawsuit was an action that owners of property on Powell Street initiated challenging the sufficiency of the environmental impact report prepared by the City Planning Commission at the time the project was first approved. He reported that the case had been tried and it was found that there was no merit in the suit. The owners still have time left to appeal the decision. In response to Mr. Kaplan's inquiry, Mr. Hamilton noted that this did not interfere with the sponsor proceeding with his work. Mr. Hamilton reaffirmed that the Agency's legal staff is handling the matter in response to President Wexler's inquiry.

Agency General Counsel Tilden H. Edwards indicated that it appeared the litigants intended to pursue the suit and this was confirmed by Mr. Richard Thomas, Assistant Agency Counsel, who noted that an appeal had been filed and the Agency was preparing its response. President Wexler inquired if there had been any attempt by mandate or to enjoin the project, and Mr. Edwards answered negatively, also indicating that no bonds had been posted. President Wexler indicated that it appeared the project could then move forward. Dr. Williams noted that he had been an advocate of the project since it was a dream of the Chinese Presbyterians, and he wished to show his support; however, he was concerned that there could be a problem in the propriety of his voting on this issue because of his relationship with Reverend Harry Chuck and the Presbyterian Church. Mr. Hamilton indicated that since Dr. Williams had no monetary interest in the sponsoring corporation, he believed that there was no conflict of interest.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (b) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 5, Stockton/Sacramento Approved Redevelopment Project.

This concerns advertisement of Demolition and Site Clearance Contract No. 5 in the Stockton/Sacramento Approved Redevelopment Project to clear the last two buildings remaining in the project.

MOTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that Demolition and Site Clearance Contract No. 5 in the Stockton/Sacramento Approved Redevelopment Project be advertised.

- (c) Resolution No. 36-77 authorizing the Executive Director to schedule a public hearing and give proper notice thereof concerning a proposed resolution revising the Redevelopment Agency objectives, criteria, and procedures for environmental evaluation of projects and preparation of environmental impact reports to incorporate 1976 amendments to the California Environmental Quality Act and State guidelines thereto.

This concerns modification of Agency policy on review and certification of environmental impact reports to conform to revisions in State law. This action sets March 1, 1977 for the public hearing to consider the proposed amendments in the California Environmental Quality Act.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

resident Wexler indicated that the meeting would be adjourned to tour and view the Han and Wang Dynasty murals.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF FEBRUARY 1977

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of February 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice-President
Rubin Glickman
Walter F. Kaplan
Melvin D. Lee
Dr. Hannibal A. Williams

and the following was absent:

Dian Blomquist

The President declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Elouise Westbrook, Esponla Jackson, James Williams, Willa Jones, Shirley Jones, Claude Carpenter, Brenda Parish, Pauline Evans, Jeanette Wiseman, Willie Beasley, Opal Kitchin, Harold Thomas, Irene Harris, and Helen Cook, Bayview-Hunters Point Joint Housing Committee; Aline Beard, San Francisco League of Woman Voters; Bill Burdock, Citizens Alert;; Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC); Paula Young, San Francisco Housing Authority; Robert F. Curotto, attorney, Fred Ezazi, O. Jackson, George Taylor and Beverley Robinson, Bay Cities Paving and Grading; Kenneth Wheeler, K and B Guard Service; Alan Jordan, New Breed Community Development Corporation; and Charles Walker, John Alexander, Enoch Williams and Frances Williams, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that the minutes of a Regular Meeting of February 7, 1977, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 672-A, Western Addition Approved Redevelopment Project Area A-2.

- (a) President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 672-A Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) Today the Planning, Housing, and Development Committee of the Board of Supervisors held a hearing on the proposed designation of a study area along the Northern Waterfront. The proposal was supported by the City Planning Commission, San Francisco Tomorrow, Save the Bay, the Bay Conservation and Development Commission, and a number of other groups. The Agency indicated willingness to participate in the study. The Committee approved the designation and the matter will be forwarded to the full board for its consideration.
- (b) At the request of Supervisor Kopp, the Planning, Housing, and Development Committee postponed consideration of the Kopp proposal to take over the Agency until its next meeting March 15, 1977.
- (c) The Agency has received a number of cards originated by CANE protesting the eviction of tenants at 1531 Sutter and 1869 Buchanan Streets. Both properties are being vacated in accordance with a court order. CANE has circulated leaflets indicating that it will be demonstrating February 16, 1977 at the Western Addition A-2 site office from 4:00 to 5:00 p.m. President Wexler indicated that CANE had initiated a request to appear before the Members today but they subsequently withdrew the request and apparently will hold a demonstration instead.

NEW BUSINESS

- (a) Resolution No. 37-77 approving sale of Parcel 672-A to Oscar J. Jackson, M.D.; ratifying and confirming publication of notice of public hearing; authorizing execution of agreement for disposition and other conveyance instruments in connection therewith, Western Addition Approved Redevelopment Project Area A-2.

This item was the subject of the public hearing just held and concerns disposition of Parcel 672-A to Oscar J. Jackson, M.D. in the Western Addition A-2 project for \$54,900 for 7,030 square feet to construct a wood-frame building of twelve two-bedroom and two-bath units. Market rate rents are to be charged at an estimated cost of \$450 per month. Mr. Hamilton indicated that construction is scheduled to start within sixty days after conveyance. Dr. Jackson was designated as developer of the parcel in 1971, and has worked diligently to bring the project to completion. Dr. Williams indicated that he was long acquainted with Dr. Jackson who as a black has involved himself in Western Addition affairs and he was pleased to see him carry out this development.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 38-77 approving a supplemental work order for building inspection services for the period September 10, 1975 to September 10, 1976 for Western Addition Area A-2 Approved Redevelopment Project Area.

This represents a work order to the Bureau of Building Inspection to pay for an overrun of \$4,613 in the September 1975 to September 1976 work order of \$10,000. City Inspectors were used to analyze buildings scheduled for retention and rehabilitation and the heavy volume of inspections caused the overrun which has just been brought to the attention of Agency staff by the Bureau of Building Inspection. Mr. Hamilton indicated that measures have been instituted to prevent overruns in the future.

NEW BUSINESS (continued)

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (c) Consideration of award of Site Improvement Contract No. 16, Hunters Point Approved Redevelopment Project.

Mr. Hamilton indicated that this contract provided the site clearance, grading, wall construction, and utility installation for Housing Sites D and E. He noted that the Agency has received expressions of concern from the community with respect to awarding the contract to Bay Cities Paving and Grading which was the low bidder. Mr. Hamilton indicated that DeNarde Construction Company was the second low bidder. Mr. Hamilton reported that representatives of the community found Bay Cities unacceptable because of the deaths which occurred during execution of previous contracts. President Wexler indicated that if there were no objections, testimony would be taken from members of the audience on the matter.

At this point Mr. Kaplan arrived.

Mr. Claude Carpenter, Chairman of the Bayview-Hunters Point Joint Housing Committee, came forward and indicated that the Joint Housing Committee Board had decided that it would be in the best interests of the community not to award the contract to Bay Cities. He believed there was division in the community about the matter and others did not necessarily feel that Bay Cities was unacceptable.

Mr. Charles Walker came forward and indicated that the community was not divided. In response to Mr. Lee's inquiry as to the identity of the speaker President Wexler indicated his understanding that Mr. Walker was employed by DeNarde Construction Company and Mr. Walker answered affirmatively but indicated that he did not believe that was relative to the matter. President Wexler indicated that would aid in putting Mr. Walker's testimony into perspective. Mr. Walker noted that he was formerly employed by DeNarde but presently was not working for that firm. Mr. Walker indicated he was one of the few blacks in the community who had a vested interest in the matter and protested that blacks were getting only a small percentage of the \$80 million spent in Hunters Point. He alleged that on a BART contract Bay Cities had taken a similar position to another contractor, O. C. Jones, and would not hire blacks. He stressed that he had a right to make a living and that when these contractors came to the community there was always a dispute and that the community did not want them working there. He reiterated that his former position with DeNarde had nothing to do with his testimony.

In response to Ms. Shelley's request for clarification on the affirmative action records of the firms Mr. Hamilton responded that the affirmative action program for Bay Cities on this contract had satisfactorily met all of the Agency's standards. He added that the firm had also had a good record on previous contracts. DeNarde, however, has had some problems on recent contracts. Mr. Hamilton indicated that DeNarde's proposed affirmative action program has also been approved for this contract. Mr. Glickman inquired about the nature of previous problems with DeNarde and Mr. Hamilton responded that they had been in the area of affirmative action.

Mr. Alan Jordan, a member of the board of directors of the New Breed Community Development Corporation, came forward and indicated that he spoke for this

NEW BUSINESS (continued)

organization and urged that the contract be judged by the potential good it would do for the entire community rather than by accidents which have occurred or may occur in the future. He believed that these accidents could have happened to any contractor and he stressed his belief that the contract should be awarded to the contractor who would provide the community a chance to upgrade itself economically through an affirmative action program which encouraged employment for the unskilled.

Mrs. Shirley Jones of the Bayview-Hunters Point Coordinating Council came forward and indicated that her organization continued to oppose Bay Cities as it had the previous year on another contract.

Mr. John Alexander identified himself as a workman in the Hunters Point area and indicated that Mr. Walker's statement to the effect Bay Cities did not hire minorities was untrue and noted that he was an example of those the company had given a chance to work. He introduced others in the audience who worked for Bay Cities and stressed that Bay Cities had not only provided opportunities to work while having contracts in the area but to continue with the company on contracts out of the area and advance in the union. He added that he was not now employed by the firm.

Mr. James Williams came forward and indicated that he was a member of the Bayview-Hunters Point Council and a resident. He reported that he had told Bay Cities after the accidents that he did not want the firm at Hunters Point since he had children there.

Mr. Enoch Williams, a resident, came forward and indicated that it was impossible to find work at Hunters Point unless one went through a certain program which all contractors in Hunters Point had. He indicated he had searched for a job and could not obtain one and felt that one should be able to go directly to a contractor and ask for work. He noted that on any construction job there was a possibility for accidents to occur and indicated that preventive measures had to be taken. He believed there should have been a security guard at the time of the accident. He indicated that if there was negligence on the part of Bay Cities then the firm should not be awarded the contract; however, he believed there should be a judgment as to whether there had been negligence.

Mrs. Esponla Jackson came forward and indicated she was a forty-year resident of Hunters Point and opposed to Bay Cities being in the area. She stated that if Bay Cities is awarded the contract the people will keep the firm from working in the area. She expressed concern about the accidents which could occur because of the many children in the area and noted that the community did not want any more deaths.

Mr. Robert F. Curotto, attorney representing Bay Cities, came forward and indicated that the firm had performed six large contracts over four years' time in the area amounting to a total of \$3 million and that it had completed these contracts both before and after the accidental deaths. He stressed his belief that the deaths were accidental and not reflective on Bay Cities and that no words could mitigate the grief of parents and community. The tragedies were the result of accidents. He recalled that one accident involved two children who dug a tunnel into stockpiled sand and were buried alive. This occurred in an area which was not fenced during Contract No. 8. He indicated that before this contract the Agency had awarded several contracts and not required fencing of the work site.

NEW BUSINESS (continued)

After the accident the Agency issued a work order of \$12,000 to fence the site and subsequently contracts have required fencing. He stressed Bay Cities had done what was required by the contract. Mr. Curotto noted that there was no way of knowing whether fencing could have prevented the accidents. He indicated that as a result of construction there were sand piles all over the project area. In regard to the second accident, Mr. Curotto indicated it was not known why a driver of a roller with twenty years experience and fifteen of them with Bay Cities, ten years of which were on that particular piece of equipment and with a good safety record, should suddenly lose control of his equipment which ran over the child. Mr. Curotto indicated that to use the accidents to demonstrate that Bay Cities was insensitive to safety rules ignores the facts surrounding the situation of the firm's good safety record. He also indicated concern about Mr. Walker's statements suggesting that Bay Cities was against hiring black people or if it hired them they were fired right away. Mr. Curotto stressed that from the beginning Bay Cities had exceeded Agency requirements by hiring community people, keeping them on after finishing their Agency contracts, and helping them progress in the union. He noted that the Agency's record will reflect that Bay Cities is not against hiring blacks. He noted that the New Breed group has correctly concerned itself about contractors who fulfill only the requirements of the affirmative action program but do nothing further after their Agency contracts are completed. Bay Cities has not done that and has kept the men on because they were good workers. He indicated his belief that most of the community does not oppose having Bay Cities work in the area because it has hired people and exceeded the requirements of affirmative action. He also indicated his belief that the community is aware that public funds will be saved by awarding the contract to the low bidder and noted that there could be a differential of over one-half million dollars. He added that the community does not want a contractor in the area who is tainted by allegations of kickbacks or gifts. He indicated that Bay Cities was not tainted by such allegations not because it had not been investigated but because it had been examined and its record is clean. He stressed his belief that Bay Cities has a reservoir of good will in the community for the good things it had done.

Ms. Shelley requested more specific information on the suggestions of impropriety of other contractors working in the area, and Mr. Curotto indicated that his reference was to what he had read in the newspapers and the extent of his knowledge was limited to that source and nothing more.

Mr. Glickman indicated that despite his newness on the Agency and unfamiliarity with certain events that had occurred, he was concerned about the safety precautions and the accidents. He inquired if Mr. Curotto had been the attorney for Bay Cities on the cases involving the accidents. Mr. Curotto indicated that he represented Bay Cities on an assignment basis and not on a retainer. He indicated he was not retained at the time of the accidents. Mr. Glickman asked if he had knowledge about the details of the accidents and if there had been litigation on this, and Mr. Curotto answered that while he did not know the details of the accidents he knew that Bay Cities had settled the litigation on the death resulting from the roller within the last four to six months. In response to Mr. Glickman's question, Mr. Curotto noted that Bay Cities men sustained no serious accidents in four years and there were from twenty to thirty men per day working on large contracts in the project.

Mrs. Frances Williams indicated she had lived in the Hunters Point area for thirty-one years and suggested that if the accidents had happened in more affluent residential areas of the city, Bay Cities would not have been permitted to return.

NEW BUSINESS (continued)

She asked that the contract not be awarded to Bay Cities and expressed her belief that the Agency did not attach sufficient importance to the deaths.

Mrs. Paula Young, Vice-President of the Bayview-Hunters Point Joint Housing Committee, expressed her belief that the Joint Housing Committee was strongly opposed to Bay Cities and was concerned such accidents would happen again. She suggested that the Committee would not allow this.

Mr. Kenneth Wheeler of the K and B Guard Service indicated that he wished to comment on what happened in the project and the steps that had been taken to prevent such accidents from happening again. He indicated that prior to the deaths there had been no requirements for guards to protect the site from the possibility of such accidents happening. Subsequently it was made a contract requirement to have construction sites fenced and security guards to be posted in dangerous portions of the construction area. These requirements apply to all contractors working in the area.

Mrs. Elouise Westbrook of the Joint Housing Committee came forward and indicated that jobs were needed in Hunters Point but that there were other competent contractors in the area who could do this contract and provide the jobs. She stressed the importance of the children's safety and asked that the Members listen to what the members of the Committee were saying in regard to the deaths. She expressed doubt that Bay Cities could work again in the project area and asked that other contractors with the same expertise and efficiency be sought.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and indicated her support of the Joint Housing Committee in opposing award of the contract to Bay Cities. She believed that children's safety was of the greatest importance and expressed the belief that Bay Cities did not care about the people at Hunters Point. She suggested that the Members reject the bids on the contract and put it out again to bid. She threatened to bring people from the Western Addition community to Hunters Point to help stop Bay Cities if it was awarded the contract.

Mr. Enoch Williams again came forward and indicated that he had not previously mentioned whether he was for Bay Cities or not but noted if they were only interested in making money then he was against awarding them the contract.

President Wexler inquired if Mr. Hamilton could report on the firm's safety programs and Mr. Hamilton indicated that both Bay Cities and DeNarde have submitted written safety and affirmative action programs and both were consistent with contract requirements. He noted that the Occupational Safety and Health Agency (OSHA) records had been investigated to determine whether Bay Cities had a record of accidents or a negative safety record. The firm apparently had a good record with OSHA. Mr. Hamilton noted that the expressions of concern from the community and the legal issues involved in awarding to other than the low bidder must necessarily be given consideration by the Members in reaching a judgment on this matter. Mr. Hamilton indicated that he had just been advised that a claim for damages concerning contract 9M had been filed by the low bidder, Bay Cities because its bid had been rejected and the contract awarded to the second low bidder. Mr. Hamilton suggested that Agency General Counsel Tilden H. Edwards comment on the Members' legal alternatives.

Mr. Kaplan recalled that on the Contract No. 9M all bids were rejected and the contract was rebid. Mr. Hamilton indicated that the contract had been awarded to the second low bidder after Bay Cities was rejected, and Mr. Curotte

NEW BUSINESS (continued)

stressed his belief that 9M was similar to No. 16 in that Bay Cities was the low bidder but the Members had rejected it.

Mr. Lee inquired about the availability of Workmen's Compensation records on Bay Cities and Mr. Curotto indicated that these records could be submitted and reported that in the time that Bay Cities worked on the contracts in Hunters Point there were no Workmen's Compensation claims of any significance. President Wexler indicated staff had reviewed these records and found the firm's records in good order. Mr. Lee noted that if there had been no accidents the Bay Cities and DeNarde firms would have had a percentage of Workmen's Compensation payments returned to them as dividends, and Mr. Hamilton indicated he could not report on such specifics but the Workmen's Compensation records were reviewed by staff and Bay Cities' experience record was determined average or above average. Mr. Curotto commented that contractors seldom received money back, even those with good experience records, because of the higher insurance premium rates.

Mr. Hamilton requested Agency General Counsel Edwards to comment on the award of contracts to other than the low bidder. Mr. Edwards indicated that although Bay Cities had filed a claim alleging damage because it was the low bidder and was not awarded the contract on No. 9M, he believed that the Members could legally award or reject contracts under certain conditions. The courts have upheld that right. The basis for rejection of a bidder must be conditioned upon such considerations as the quality, capacity of the bidder to perform, and a differential in the amount of the bid that is so great that the contract could not be done for that figure. The recommendation of technical staff is not binding on the Members but should be considered. The considerations may also include the question whether all bids be rejected on the belief that there is likelihood of obtaining a lower bid with the expectation of obtaining a bid in the estimated amount. Any bid may also be rejected because of the possibility impediment in the contractors work other than threats of violence. This could include general and explicit anger, threats, and the stoppage and delaying of the work. It was Mr. Edwards's conclusion that rejection could be based on the above and he added that it was on this basis that Contract No. 9M was rejected. Mr. Edwards indicated that at this point consideration should be given to the circumstances under which the tragic accidents had occurred. He noted that neither fencing was required at the time on Agency contracts nor were security guards required, while now these are required on all jobs. He also noted that the safety records for Bay Cities appear to be acceptable. Mr. Hamilton commented that it appeared that the serious expressions of concern from the community on the possibility of an award to Bay Cities was sufficient to reject their bid; however, there is the question of legal vulnerability should award not be made.

Mr. Hamilton indicated that the Agency has a mandate to perform many functions in the areas where it works and its relationship with the communities have been troubled over legitimate differences of opinion on circumstances or misunderstandings over which the Agency has no control, but on the whole the objective is to complete the work with minimum disruption. He indicated that the achievement of that objective is at issue here. There appears to be strong objection to the award of the contract to Bay Cities and if they are awarded the contract, there may be serious delays in completion of the work. Further, there is no single issue of greater concern to the Agency than that of security risks. He recommended that the Members consider the objections that have been voiced and reject Bay Cities and award the contract to the second low bidder.

NEW BUSINESS (continued)

Dr. Williams indicated that he had listened to the presentations from the community and the arguments from Mr. Walker and stressed his concern for justice for Bay Cities. He believed that the decision was up to the Members and that the overriding concern must be anxiety of the mothers speaking about their children's safety. He indicated that if these concerns are overridden there would be psychic damage to the community and he wished to make a motion which would be based on the fact that the invitations to bid reserve the right of the Agency to reject all bids and that the courts have held there is no duty to award to the lowest bidder and that staff recommendation is not binding on the Members. The motion would reject the low bidder and award Site Improvement Contract No. 16 to DeNarde Construction Company. Mr. Glickman indicated he was not yet ready to decide on the matter. President Wexler suggested and Dr. Williams concurred that his motion be held for a second until there was an opportunity for the other Members to express their opinions.

Mr. Willie Beasley came forward and noted that both sides have been heard from and expressed his sorrow about the tragedy. He believed that before the accidents people seemed more concerned about making money and building than they were about safety and that it was only after the tragedy that safety precautions were taken. After the deaths twenty guards were assigned to the site and continued to work during the summer when children were out of school. Mr. Beasley stressed his belief that the accident was not really the fault of Bay Cities but a freak accident which was distorted by bad publicity. He indicated an empathy for those affected by bad publicity and noted that people's feelings have stopped many things. He believed that Bay Cities had a record as good as any other contractor and they hired their employees from Hunters Point. He indicated that the community is divided and no one knows what they want and urged that the project should be kept moving and not halted because of what happened in the past. He indicated also that Bay Cities was properly insured, otherwise their bid would not have been acceptable to the Agency. He believed that the Agency should not allow contractors to reach this point and then stop them. He mentioned that he had worked with Bay Cities and the firm had treated him fairly.

Mr. Walker again came forward and commented that white people make the decisions affecting the black community and inquired why he should be considered different from other entrepreneurs.

Mr. Enoch Williams again came forward and reiterated that Bay Cities should not have the contract and alleged that it was unconcerned about the community.

President Wexler indicated that the Members would not ask questions and discuss the matter prior to reaching a decision. Dr. Williams indicated that he did not in any way intend to impugn Bay Cities but that he recognized the reality of the community's concern and that there would be psychological damage to the mothers and children if the contract was awarded to Bay Cities. He noted that there was only \$60,000 difference between bidders and the concern of the parents was worth more than that.

Mr. Glickman indicated his concern with the needs of the community but noted that it appeared there were divisions within the community. A more vocal faction appeared to oppose awarding the contract to Bay Cities and others supported the firm. He asked for information on the issue of negligence at the time of the accidents. He recalled that Bay Cities' attorney had stated that one of the cases had been settled and he understood that while this was

NEW BUSINESS (continued)

not an admission of guilt, it could imply that some negligence was involved and inquired whether the Agency conducted an independent investigation of the accidents. Mr. Hamilton indicated that in the investigation in the first accident dealing with the roller, no culpability had been determined although there was not a satisfactory explanation as to why an experienced man should lose control of the roller. With respect to the other accident, where the two youngsters were buried alive, the case is under litigation; therefore the court will determine if there is legal culpability on the part of Bay Cities. Mr. Glickman indicated that in his opinion the issue of negligence was a primary consideration, not affirmative action or preconclusions of future accidents. He suggested that determination of responsibility for the accidents was important in making a decision and again inquired if the Agency made an investigation. Mr. Hamilton responded that provision of fencing and security guards were not contract requirements at that time, therefore the question of responsibility was to be determined in the courts. Mr. Glickman asked about an investigation of the circumstances when the roller had run wild and Mr. Hamilton responded that by direct statement of the driver he had no explanation for the accident. President Wexler inquired if OSHA had reported on the two accidents, and Mr. Curotto responded that both the Federal and State OSHA officials investigated and no citations in either instance were issued to Bay Cities. He added that the Agency and the soils engineer were also named as parties in the suit pending on the deaths of the two youngsters. President Wexler indicated that he recalled mention of a citation in Mr. Edwards's memorandum and asked if Mr. Edwards had any information on the matter. Mr. Edwards responded that there were no OSHA citations in connection with the accidents and that he had referred to a separate small security matter which was unrelated to these events. Mr. Curotto reiterated that no citations had been issued to Bay Cities.

MOTION: It was moved by Dr. Williams and seconded by Mr. Kaplan that Bay Cities Paving and Grading, Inc. be rejected and Site Improvement Contract No. 16 for the Hunters Point Approved Redevelopment Project be awarded to the second lowest bidder, DeNarde Construction Company.

It was noted by President Wexler that he shared Mr. Glickman's concern that there was insufficient information to make a decision. He noted that it was clear from the testimony that Bay Cities' affirmative action program was equal or better than that of the second lowest bidder and that both firms had apparently submitted equal safety programs. He indicated that it came down to the question of whether or not Bay Cities should be rejected as the low bidder because its activities in the past showed it to be an unsafe contractor. He indicated that he did not have enough information to make a decision. President Wexler stressed his desire to see the OSHA report on the accidents and indicated that it was difficult to believe that there did not seem to be some finding on the matter.

President Wexler expressed particular sympathy for those with children and grandchildren in the area and the concerns for the community but noted that the Members were obligated to consider whether the contractor was negligent. He urged the submission of any documented evidence from any investigatory body.

Dr. Williams indicated that he was not a lawyer. He indicated that it appeared President Wexler and Mr. Glickman were incorrectly interpreting the issue. He expressed the belief that the issue was not the culpability of Bay Cities but the viability of that project and what was necessary to move it forward quickly. He indicated that whether there was sufficient basis for the emotional reaction of the community or not, the issue of the culpability of Bay Cities is before the courts and should not be prejudged by the Members. He indicated



NEW BUSINESS (continued)

that the community had spoken and that he believed the issues being introduced were irrelevant.

Mr. Kaplan indicated his agreement with Dr. Williams noting that he had served on the board when the matter was considered previously and stated that the community representatives were against Bay Cities then, threatening to halt the work if the contract was awarded to that firm; therefore, there is no legal matter involved. President Wexler again noted that he wished information on the circumstances of the deaths, and Mr. Kaplan indicated responsibility in the matter was up to the courts to decide. Dr. Williams indicated that he as a public figure had no right to give judgment on a matter being litigated in court.

Ms. Shelley indicated that while she recognized that the decision could not be made on the legal culpability of Bay Cities, she did feel the need for some overwhelming reason to depart from the legally established procedure for awarding a contract. She noted that on an emotional level the reasons as stated today are overwhelming but the Members were obligated to consider all aspects of the matter and the presentations still did not give her the conviction that Bay Cities was negligent in the accidents. Mr. Kaplan indicated that negligence could not be considered since the courts have not yet decided the matter. Dr. Williams noted that he had a responsibility to society and believed that laws should serve man and not vice versa.

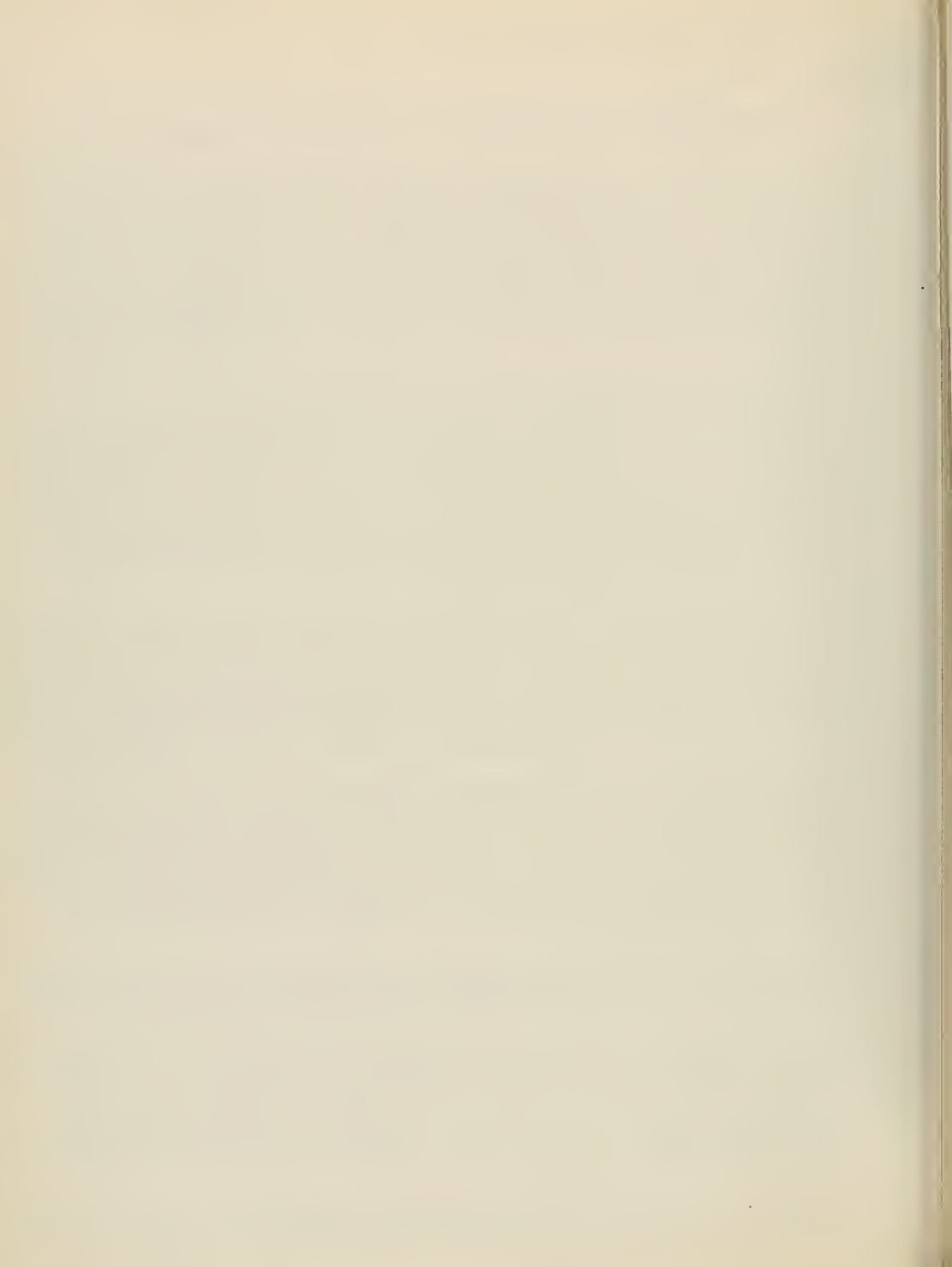
Mr. Glickman indicated that he would make his decision based on what he believed was right regardless of culpability. He indicated, however, that there should be consideration of penalty of the contractor for acts that he did or did not do. President Wexler indicated that he was concerned about reaching a decision that would do justice and that was why he was seeking to ascertain the type of safety record and competency of Bay Cities, or whether in the event another contractor had been awarded the previous contract the deaths would still have occurred.

In response to Mr. Hamilton's comment, President Wexler indicated his awareness that the Members were in a position to reject all bids or any of the bidders, however that action could also lead to further litigation. President Wexler again stressed that he shared the community's concern for the safety of children. He also noted his belief that it was difficult to understand how a steam roller could break loose and run over a child in a normal working situation and indicated that this was the reason he was desirous of additional research of Bay Cities safety record.

Mrs. Westbrook indicated that the speakers opposing Bay Cities had not done so on the basis of the firm's competency or safety record but because of the three deaths the community did not want Bay Cities to work in Hunters Point.

Mr. Lee stressed his belief in the importance of the decision on the matter to all parties concerned and requested that the Members be provided copies of Bay Cities' accident experience record. He believed that these were important for the Members to determine how to vote. Mr. Curotto indicated that the firm's safety records would be made available. He noted that in the past Bay Cities had received rebates from Workmen's Compensation dividends but it was impossible to make a report on those today.

Mr. Kaplan indicated that he would withdraw his second to Dr. Williams's motion and move to postpone the matter so that the other Members could have time to



NEW BUSINESS (continued)

evaluate the information presented.

President Wexler indicated that so there would be no misunderstandings, no decisions on the contract would be made outside a public forum. He indicated that deferral of the decision will allow an opportunity for provision of the information requested. Dr. Williams expressed regret at the proposed postponement of a decision and indicated that the Members were not conducting a court of law and stressed his belief that the Agency would regret such a decision. He indicated his belief that the Members were trying to deal with the issue of culpability but it was his opinion that it was an issue for a court of law. He urged that the people's pleas not be rejected and indicated that he felt isolated from the other Members on the board. He believed that the Members were avoiding their responsibility and playing games. Mr. Kaplan indicated that particularly because there were two new Members on the board they were entitled to have a week to evaluate the issue. Mr. Glickman indicated that the issue was new to him, although he had received and studied the material sent to him; however, the decision was important, therefore, he was requesting the opportunity to study the issues for one week. Ms. Shelley indicated her desire for a week's delay to resolve her position on this matter of such importance. President Wexler asked that the roll be called on the motion proposing delay of a decision on Site Improvement Contract No. 16 for one week from today.

MOTION: It was moved by Mr. Kaplan and seconded by Mr. Lee that consideration of an award of Site Improvement Contract No. 16, Hunters Point Approved Redevelopment Project, be held over for one week, and on roll call the following voted "Aye":

President Wexler
Ms. Shelley
Mr. Glickman
Mr. Kaplan
Mr. Lee

and the following voted "Nay":

Dr. Williams

and the following abstained:

None

The President thereupon declared the motion carried.

President Wexler indicated that the decision would be made at next week's meeting. He thanked all those who had testified and assured those present that the Members would review and consider the matter carefully. At this point an unidentified member of the audience came forward and indicated that the contract dealt with a large black community and he threatened to stop Bay Cities from working in Hunters Point.

- (d) Resolution No. 39-77 awarding personal services contract, Diamond Heights Redevelopment Project, to Michael Painter and Associates.

This concerns a contract with Michael Painter and Associates for an amount not to exceed \$4,000 for design and preparation of contract documents for irrigation

NEW BUSINESS (continued)

and landscaping of median strips on Diamond Heights Boulevard in Diamond Heights. The Members had selected Michael Painter at the January 11, 1977 meeting as the contractor with whom staff would negotiate the contract. At that time the amount was estimated to be \$3,800 but this did not include \$200 for printing of contract documents which will be billed at cost.

ADOPTION: It was moved by Mr. Kaplan, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration of authorization to purchase a new platemaker for use in the print shop.

Mr. Hamilton indicated that there was a need to purchase a new platemaker for use in the print shop because the old one cannot be repaired. The cost of a new tabletop model is \$3,323.23.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

At this time Mr. Kaplan departed.

- (b) Agency General Counsel Tilden H. Edwards introduced to the Members the Agency's new attorney, David Oster, who replaces Steven Nord who resigned.

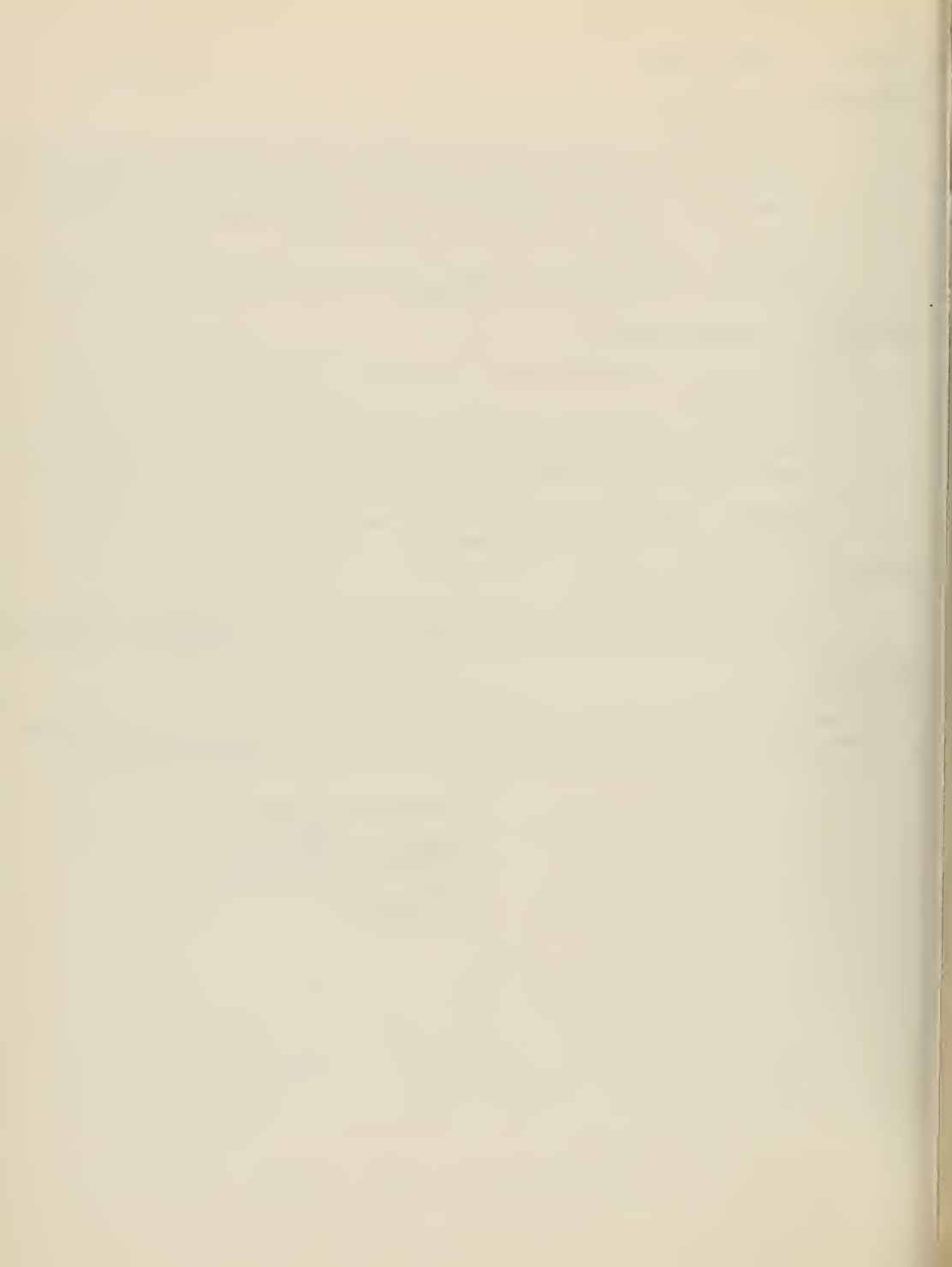
ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 6:10 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary



77

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF FEBRUARY 1977

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of February 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice-President
Dian Blomquist
Rubin Glickman
Walter F. Kaplan
Melvin D. Lee
Dr. Hannibal A. Williams

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, and Wade Woods, Western Addition Project Area Committee (WAPAC); Fred Ezazi and Robert F. Curotto, Bay Cities Paving and Grading; Allen Jordan, Vicky Cantrell, Robert Harris, Latresa Brown, Leroy Blankenship, and Claude Carpenter, New Breed Community Development Corporation; Irene Harris and Espanola Jackson, Bayview-Hunters Point Joint Housing Committee; Joan Takino and Diane Yamashiro, Citizens Against Nihonmachi Eviction (CANE); Masao Ashizawa, Nihonmachi Community Development Corporation; and Essie Collins, Wesley Whitehead, Wayne Osaki, Noburo Kitagaki, Ruby Alfred, W. Ballard, T. Hendricks, James Delameter, Pat Delameter, Robert Spear, Loretta Wilcher, Richard Wade, Ross Lopez, Joseph Williams, William Coates, John Alexander, and Peter Rooke-Ley, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Kaplan, and unanimously carried that the minutes of a Regular Meeting of February 15, 1977 and the minutes of an Executive meeting of February 15, 1977, as distributed by mail to the Members be approved.

SPECIAL APPEARANCES Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 779-J, Western Addition Approved Redevelopment Project Area A-2

- (a) President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 779-J, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) The designation of the waterfront redevelopment survey area was before the Board of Supervisors today. At the request of Supervisor Dianne Feinstein, seconded by Supervisor Ronald Pelosi, the item was held over for one week and will be heard at the Board's next regular meeting on Monday.
- (b) Mr. Hamilton indicated he and Mayor George Moscone had held a briefing for staff of the Department of Housing and Urban Development (HUD) Area Office. During this meeting considerable discussion occurred regarding location of the post office on an India Basin site. The Mayor indicated that he was supportive of this proposal and the Agency will proceed to negotiate with the post office in accordance with terms acceptable to the Mayor's Office.

UNFINISHED BUSINESS

- (a) Consideration and award of Site Improvement Contract No. 16, Hunters Point Approved Redevelopment Project Area.

President Wexler indicated that he wished to make a personal observation. He noted that he had formerly had some reservations about the Agency holding its meetings as early as 4:00 p.m. and was concerned that people would find it convenient to attend only if meetings were held in the evenings. He noted that the attendance at today's meeting indicated that the community people would attend a 4:00 o'clock meeting if there was an item of particular interest to them.

President Wexler indicated that many people had been heard last week on the matter now to be considered and that no additional testimony would be taken except those who had previously spoken and had now changed their position or had something substantially new to report. He indicated that after having listened to the community it was the desire of the Members to reach a decision on the issue.

Mr. Claude Carpenter came forward and reported that the Bayview-Hunters Point Joint Housing Committee position was unchanged from that stated in their letter but again stressed that the New Breed Community Development Corporation believed that the community was divided on this issue. He indicated that New Breed members had secured 550 signatures on a petition of citizens and businessmen who had expressed appreciation to New Breed for bringing the matter to their attention. He stated that the petition was on behalf of Bay Cities Paving and Grading being awarded the site improvement contract in Hunters Point.

In response to Mr. Glickman's request for clarification if the Joint Housing Committee had changed its position, Mr. Carpenter answered negatively. He indicated that signers of the petition favoring Bay Cities included the majority of businessmen on Third Street as well as many citizens. He also noted that the safety record of the firm had been listed and that the petition signers had been aware of it so that they made their own decision in favoring award of the contract to Bay Cities.

Mrs. Espanola Jackson came forward and indicated that the Coordinating Council had not changed its position. She noted her concern about rumors that people had received money from the firms being considered. This included the

UNFINISHED BUSINESS (continued)

allegation that Mr. Charles Walker had received \$44,000 from DeNarde Construction Co. and Chet Smith and that New Breed had received \$3,500, and she indicated that such rumors as these divided the community. She believed that although this was misinformation, it caused dissention. She also indicated that she did not expect the Members to take the lowest bidder and that the Coordinating Council was not supporting any contractor nor had it taken money from any contractor. She believed new bids should be submitted. In response to President Wexler's inquiry, Mrs. Jackson indicated that the Coordinating Council was not in favor of awarding the contract to DeNarde and again noted that the Council did not support any contractor but was concerned for safety in the project.

Mr. Kaplan noted that there appeared to be three organizations expressing community positions. These were New Breed, the Bayview-Hunters Point Joint Housing Committee and the Coordinating Council; and he asked for an explanation who the Council represented. Mrs. Jackson indicated that the Coordinating Council was established in 1967 as a coalition of different organizations and teachers interested in the community. Such organizations as the Joint Housing Committee grew out of the Council. Mr. Lee noted that it appeared from the 550 signatures collected by New Breed that many people favored Bay Cities and inquired how many people the Council represented. Mrs. Jackson replied that she had not anticipated that signatures were needed and that she believed they were not representative since anyone could go out and obtain signatures. She replied that if signatures were desired the Coordinating Council could also get signatures.

Mr. Robert F. Curotto, attorney representing Bay Cities Paving and Grading Co., came forward and denied that the firm had paid \$3,500 to the New Breed Group. He indicated that he wished to point out one matter which he did not believe had been brought out at the previous meeting. He noted that after the accident the contract was completed and that the firm subsequently successfully bid and completed Contract No. 11 without accidents or incidents. He stressed that Bay Cities had also completed a contract for the City and County of San Francisco on Cargo Way which leads to the port. He noted that although the Coordinating Council opposed award of the City contract to the firm, the City proceeded to do so and this work was also completed without incident or accident. Mr. Curotto indicated the firm's empathy for the community's concerns but noted with regard to concerns for psychic damage or delays, Bay Cities did do work in the community after the tragic accidents. He indicated that Bay Cities does have a good safety program and has worked with people in the community and the K and B Guard Service to prevent accidents.

Dr. Williams recalled that Mr. Curotto had indicated that Bay Cities was concerned about the community and Mr. Curotto responded affirmatively, noting that the firm's affirmative action program is the best of any of the other contractors. Dr. Williams commented that if the firm's concern was genuine he believed that Bay Cities should demonstrate its compassion and be willing to forego the contract. He indicated the community had indicated its opposition to the firm and alleged that people were willing to "play loose with the black community" where there was a possibility of someone being killed and that they did so without concern about the damage he believed occurred when the black community was divided over an issue. He asked that the controversy be stopped by Bay Cities' withdrawal. Mr. Curotto responded that Bay Cities had demonstrated its concern for the community by its affirmative action program which was stronger than that of any other company and again noted that when their jobs were completed Bay Cities had not dismissed its community employees but had kept them on the payroll.

UNFINISHED BUSINESS (continued)

In answer to Dr. Williams's question as to why Bay Cities does not step aside, Mr. Curotto indicated that the firm did not intend to enter a popularity contest but was in business and this contract was being offered for bid by a public agency using public funds and that Bay Cities bids such contracts all the time. In this case it was the low bidder and therefore entitled to be awarded the contract. He also indicated that the Agency would have further contracts that Bay Cities would like to bid on and the question of the firm's working in the community should be dealt with. He stressed that the accidents were not taken lightly by Bay Cities but that they were accidents. He believed the community should judge the contractor on its affirmative action and safety programs and again noted that award of this contract would make a third contract completed without accidents or incident. Dr. Williams indicated Mr. Curotto was saying that the costs in terms of community disruption did not matter and that three deaths were only a popularity contest, and Mr. Curotto responded that he had intended no minimizing of the tragedy in any way.

President Wexler asked the staff to report on the firm's safety record. Mr. Hamilton indicated that a comprehensive investigation had been made of the records obtained from the Workers Compensation and Occupational Safety and Health Agency (OSHA) which were available on the fatal accidents in Hunters Point and also the California State Division of Industrial Safety ratings available on the liability experience of the firm. Mr. Hamilton indicated that the Members had these reports which indicated nothing more than routine OSHA violations with respect to the firm's other activities. There was some information on another accidental death of a Bay Cities employee which occurred in Oakland in April, 1975 apparently as the result of the lack of safety equipment. This allegation needs to be examined more closely because there are several contradictions in the matter. Mr. Hamilton noted that staff had attempted to determine the facts of this accident prior to the meeting but had been unable to do so. He indicated that as far as could be ascertained the three agencies show a normal rating for Bay Cities. He added that with regard to the Oakland accident, the State Department of Industrial Relations will require about a year and a half before its findings become part of the record.

In response to President Wexler's inquiry Mr. Hamilton noted that the Members' options were to: (1) Award Bay Cities the contract as the low bidder (2) Reject Bay Cities on legal basis previously reported by counsel and award to the second lowest bidder, or (3) Make a determination either of inadequacy in the three bids or the lack of ability on the part of the Members to make an award and reject all bids. President Wexler asked Mr. Hamilton to comment on the ramifications of rejecting all bids and Mr. Hamilton indicated that there were some delays which would result from this action. Since it would be from four to six weeks before Contract No. 16 could again be ready to award, this would in turn delay Contract 17 and the construction of housing on Site C. The dollar impact cannot be stated since it is not known what the result of the rebidding would be. It could only be stated with certainty that it would delay the Agency's scheduled housing production. Mr. Hamilton indicated that he hesitated to quote a figure since it depended upon the bids and inflation but expressed the belief that it would not be a substantial amount.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Blomquist that all bids concerning Site Improvement Contract No. 16 in the Hunters Point Approved Redevelopment Project Area be rejected and that the Executive Director be directed to reopen the bidding process for Contract 16.

UNFINISHED BUSINESS (continued)

Dr. Williams explained that he opposed the motion and that the other Members would do likewise because he believed by not awarding the contract they were avoiding their responsibility to the people of Hunters Point. He noted that the community had made an effort to attend the meetings and he believed that there was no assurance that a better bid would be received if the contract was rebid nor was there any assurance that Bay Cities would not again be the low bidder. He expressed the belief that Charles Walker's role in the matter made a difference to some of the Members and that the proposed motion was a punitive action against Mr. Walker. He insisted that the Members make a decision now and expressed the belief that the contract should be awarded to the second lowest bidder who in this case just happened to be DeNarde. He alleged that there was game-playing with black people and that the Agency was acting as a divisive force in the community.

MOTION: It was moved by Mr. Glickman and seconded by Ms. Blomquist that all bids concerning Site Improvement Contract No. 16 in the Hunters Point Approved Redevelopment Project Area be rejected and that the Executive Director be directed to reopen the bidding process for Contract 16 and on roll call the following voted "Aye":

Mr. Wexler
Ms. Shelley
Ms. Blomquist
Mr. Glickman
Mr. Kaplan
Mr. Lee

and the following voted "Nay":

Dr. Williams

The President thereupon declared that the motion carried.

NEW BUSINESS

- (a) Resolution No. 40-77 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition of conveyance instruments; all in connection with the sale of Parcel 779-J, Western Addition Approved Redevelopment Project Area A-2.

This item was the subject of the public hearing just held and concerns disposition of a three-flat apartment building to Janet E. Robson for \$8,751 who will utilize \$88,000 from the Agency's rehabilitation loan program to renovate the property up to standards of the Agency and City. The property is located at 1271-75 McAllister Street between Fillmore and Steiner Streets.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 41-77 granting to Joseph Rudolph, Lavolia Baker and Essie Collins an exclusive right to negotiate for the purchase, subsequent to rehabilitation by the Agency, of 1961-69 Sutter Street, in the Western Addition Approved Redevelopment Project Area A-2.



NEW BUSINESS (continued)

- (c) Resolution No. 42-77 granting to Masao Ashizawa an exclusive right to negotiate for the purchase, subsequent to rehabilitation by the Agency, of 1971-75 Sutter Street, in the Western Addition Approved Redevelopment Project Area A-2.
- (d) Resolution No. 43-77 granting to Clarence Spear an exclusive right to negotiate for the purchase, subsequent to rehabilitation by the Agency, of 1979-81 Sutter Street, in the Western Addition Approved Redevelopment Project Area A-2.
- (e) Resolution No. 44-77 granting to Bennie Williams an exclusive right to negotiate for the purchase, subsequent to rehabilitation by the Agency of 1419 Webster Street, in the Western Addition Approved Redevelopment Project Area A-2.

President Wexler indicated that items (b) through (e) would be considered together. Mr. Hamilton reported that these items concerned the remaining four Victorian structures to be located in Victorian Square. The Agency has received a deposit of \$2,500 from each of the four purchasers and after a HUD concurrence is received they will have fifteen days in which to increase their deposits to 15 percent of the purchase price, after which there will be seventy-five days to obtain final financing. Negotiating rights are to be granted to the following Western Addition A-2 businessmen: (9b) Joseph Rudolph, Lavolia Baker and Essie Collins for 1961-69 Sutter Street; (9c) Masao Ashizawa for 1971-75 Sutter Street; (9d) Clarence Spear for 1979-81 Sutter Street; and (9e) Bennie Williams for 1419 Webster Street. Mr. Hamilton indicated that a good deal of community participation had gone into planning this development which will benefit the community and business people from the area.

ADOPTION: It was moved by Mr. Kaplan, seconded by Mr. Lee, and unanimously carried that these resolutions be adopted.

- (f) Resolution No. 45-77 designating the parties named herein as redevelopers of certain parcels as indicated; directing that the Executive Director take the necessary action to obtain approval of the proposed redevelopers from the Department of Housing and Urban Development and to publish a notice of public hearing in connection with the proposed disposition of the parcels in Western Addition Approved Redevelopment Project Area A-2, Parcel 674-E at 1668 Bush between Laguna and Octavia, Parcel 677-G at the northwest corner of Sutter and Webster, and Parcel 1129-E at the southeast corner of Broderick and Eddy Streets.

Mr. Hamilton indicated this item concerns the designation of developers for three parcels for which seventeen proposals were received for three of seven parcels. The staff recommendation is based on a thorough evaluation of proposals in accordance with the standards outlined in the offering brochure with preference being given to certificate holders and those who live in the area. Extensive discussions have also been held between staff and WAPAC and the proposed developers. WAPAC and staff concur in the recommendation for the parcels with the exception of 674-E.

President Wexler indicated that the item would be held over for one week because the Members had just received the detailed information on how the recommendations were made and had not had an opportunity to study the new material. Mr. Kaplan requested that each of the parcels be considered as separate items at the next Agency meeting, and Dr. Williams inquired if

NEW BUSINESS (continued)

they could not be separated and some considered now. President Wexler indicated that since there were more than one applicant in each of the three cases, it would be a problem to separate the items.

Mr. Wade Woods of WAPAC came forward and indicated that those who served as volunteers on WAPAC's Planning and Development Committee had spent a great deal of time extensively reviewing the proposals. He urged that the Members consider the recommendations of WAPAC because WAPAC disagreed with the criteria used by the Agency in selection of developers. He expressed the belief that it was WAPAC's position that people who already have developments in the Western Addition A-2 have had their share and WAPAC did not wish to see anyone monopolize the area, but wanted to give others the opportunity for property ownership. He believed that WAPAC's criteria is based upon consideration of what is best for the area, the developers' attitudes toward the community, and their affirmative action programs. He also expressed concern because the staff returned certain applicants' deposit checks prior to the Members' decision. These applicants were upset because they believed they were turned down.

President Wexler indicated his understanding of the extensive review work WAPAC had done to reach their decision and noted that the Members needed more time to look at both the Agency's and WAPAC's recommendations in order to evaluate each proposal after which time testimony would be taken. Mr. Woods indicated concern that the Members would not have time to review each proposal and indicated the Agency and WAPAC differed on such matters as one developer who believed his proposal was rejected because of design but had been asked only to submit a parking plan because no design was required by the Agency.

Mr. James Delameter indicated he was one of those submitting a proposal and had taken time off work to appear today. President Wexler apologized to him for the delay caused by the holiday which precluded notifying those interested that the Members needed additional time to study the matter. He indicated that the Members were in receipt of signed petitions from Mr. Delameter and his neighbors and that these would be considered, however the Members would not hear any testimony at this time. Mr. Delameter urged that the Members also consider the fact that their neighborhood was integrated and peaceful and approval of his development proposal would reinforce these aspects.

Mrs. Mary Rogers of WAPAC came forward and indicated that this was another example of a divided neighborhood. She indicated that the Agency pays WAPAC to evaluate proposals and speak on behalf of the community and if the Members did not respect WAPAC's recommendations then nothing will be accomplished. President Wexler again apologized to everyone for their inconvenience but indicated that the information was just received and therefore could not be acted upon by the Members.

In response to Mr. Woods' inquiry as to the weight the Members would give WAPAC's recommendations, Ms. Blomquist responded that one of the reasons that the item was held over was because the Members did place weight on WAPAC's evaluation and since the Agency staff differed with WAPAC's recommendations, the Members wanted to understand the matter so that they could make the right choice. Mr. Woods' urged that criteria be developed jointly since he did not know how staff reached its conclusions. President Wexler indicated that separate reviews had taken place and resulted in similar recommendations for two of the three parcels. He indicated that the staff

NEW BUSINESS (continued)

had an obligation to work with WAPAC in reviewing proposals and although there is sometimes disagreement there is cooperation in presenting those views so that they can be heard.

Mr. Arnold Townsend of WAPAC came forward and urged that when the Members review the material it is important that they consider those things that WAPAC is designed to do. WAPAC is not concerned with creating landlords but presenting ownership opportunities for as many as possible in the community. He commented on the consideration of a developer's "track record" alleging that to achieve a track record black people had to get on the track. He indicated that people can be adroit at putting together proposals but stressed that the finished product rarely ever looks like the proposal drawings after it is built. He also deplored the return of deposits before any decisions are made. He invited Mr. Delameter to attend WAPAC's next meeting and noted that it was also his organization.

Mr. Hamilton indicated that the issue regarding the return of deposits before the Members had selected the developers had been addressed administratively and deposits would not be returned in the future before any decisions had been made.

Mrs. Bessie Collins came forward and indicated that there were concerned people living in the Western Addition A-2 area and they seldom opposed WAPAC or the Agency but did want the Members to hear from people in the area.

In response to Mr. Woods' inquiry if he could attend the discussion on the proposals President Wexler indicated that the Members would consider each parcel separately at the next meeting and would then hear testimony from WAPAC and staff and those people interested in testifying. He suggested that if anyone wished to submit additional material the Members would appreciate receiving it in brief written form during the week so it could be reviewed prior to the next meeting.

Dr. Williams indicated that one of those designated as a developer, Mr. Wesley Whitehead, was present and inquired if it would be inconvenient for him to appear again next week. Mr. Whitehead responded that because he was an engineer with the American President Lines there was always the possibility that he would be called back to work from his vacation, however he expected to be present. President Wexler noted that both WAPAC and the staff had recommended Mr. Whitehead's proposal and indicated that if he could not be present, it appeared there would be others who would speak on his behalf. The item will be held over one week.

- (g) Resolution No. 46-77 authorizing the Executive Director to enter into an owner participation agreement with certain property owners in the Western Addition Approved Redevelopment Project Area A-2, Block 667, Lot 45, Block 779, Lot 20, and Block 771, Lot 1.

This concerns authorization to enter into three owner participation agreements. George E. L. Stewart at 1715 Webster Street will invest approximately \$175,000 for rehabilitation of his three-story, wood-frame building built in 1880 and containing 22 apartments. Mr. Steven John Williams at 1277-91 McAllister Street will spend approximately \$94,000 to rehabilitate his three-story, wood-frame building built in 1900 containing nine apartments. Mr. and Mrs. James E. Stratten of 999 Laguna Street will finance \$40,000 through the Agency's rehabilitation loan program to cover rehabilitation work on their three-story, wood-frame building built in 1963 containing fifteen apartments.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (h) Consideration to advertise Demolition and Site Clearance Contract No. 69 in the Western Addition Approved Redevelopment Project Area A-2.

It is recommended that Demolition and Site Clearance Contract No. 69 in the Western Addition A-2 project be advertised for the demolition of seven buildings on sites within the Nihonmachi area, plus one the Agency had been ordered by the court to demolish at an early date because of its hazardous condition.

Ms. Joan Takino of Citizens Against Nihonmachi eviction (CANE) came forward and indicated that CANE was opposed to the continuing demolition of buildings and alleged that the Agency was destroying the Japanese community. She claimed that the Agency was in favor of high-cost housing when what was needed was low-rental housing and urged that the Agency not evict tenants but fix up the buildings, particularly 1869 Buchanan Street. Mr. Hamilton indicated that this building had been ordered vacated by Judge John Benson because it has serious deficiencies and at the time the Judge ordered the building vacated, CANE was present in court but made no attempt to respond to the court. Mr. Hamilton indicated that the Agency is now following the process prescribed by law as well as dealing with human concerns in vacating the property. Mr. Mas Ashizawa came forward and indicated that he was formerly the owner of 1869 Buchanan Street and he now owned the Soko Hardware Store. He indicated that instead of destroying the Japanese town it had been built up and that the community had been improved by bringing in more people and making the area more viable. He stressed that the building at 1869 Buchanan was irreparable. He noted that its clearance would permit construction of his new building which would make a great contribution to the area. He also stressed that there was now more housing in the area and urged on behalf of the Nihonmachi developers that the demolition contract be advertised.

Ms. Diane Yamashiro of CANE came forward and indicated that she questioned plans for the area because she believed that the Nihonmachi lacked low-rental housing. President Wexler inquired if she were a resident of the area and she replied negatively indicating that she lived in the Richmond district but had formerly lived in the Nihonmachi area. She noted that the proposed rents in the new housing of \$175 was too much for poor people to pay each month and urged that the tenants be allowed to stay in the apartment building at rents they could afford.

In response to President Wexler's inquiry, Mr. Hamilton indicated that the tenants would be relocated in facilities within their rent-paying ability. However, in some cases this was difficult to determine since the Agency has been prevented by CANE from contacting some of the tenants. Ms. Yamashiro again alleged that there was no more housing left for poor people and that when the tenants requested that repairs be made, nothing was done. Mr. Hamilton noted in answer to President Wexler's inquiry that housing could be found at rents prescribed by law. President Wexler indicated that the Agency does not have jurisdiction to maintain ownership of buildings.

MOTION: It was moved by Mr. Kaplan, seconded by Mr. Lee, and unanimously carried that Demolition and Site Clearance Contract No. 69 in the Western Addition Approved Redevelopment Project Area a-2 be advertised.

NEW BUSINESS (continued)

- (i) Resolution No. 47-77 approving roofing repairs at 1402 Post Street in the Western Addition A-2 project.

This item concerns a contract for roofing repair for 1402 Post Street, which is a Landmark Building with one occupant. The building is scheduled for retention and will ultimately be rehabilitated. The lowest of four bidders is M & J Roofing Company for \$1,400.

ADOPTION: It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (j) Resolution No. 48-77 approving roofing repairs at 675 Golden Gate Avenue in the Western Addition A-2 project.

This concerns a contract for emergency roof repairs at 675 Golden Gate Avenue which is used for the Agency's maintenance office. Expedient repairs are necessary since there are tools and materials stored in the building that could be damaged by moisture. The lowest of three bidders was Bonded Roofing Company for \$2,800.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (k) Consideration of automobile fleet insurance proposals.

This item concerns the Agency's automobile fleet insurance for forty vehicles. Mr. Hamilton indicated that of fourteen brokers solicited only two responded and it is recommended that the Agency continue coverage with the current broker, Roosevelt-Carrie Agency, and the present carrier, Aetna Life and Casualty, for \$25,921.70.

MOTION: It was moved by Ms. Blomquist, seconded by Mr. Kaplan, and unanimously carried that the Agency's automobile fleet insurance coverage be continued with the current broker, Roosevelt-Carrie Agency, and the present carrier, Aetna Life and Casualty.

Mr. Kaplan suggested that the policy of attempting to contact every broker in San Francisco was futile because of the unfavorable condition of the insurance market. He indicated that he would like to propose that the Agency contact only those brokers who submitted proposals within the last year. Mr. Hamilton indicated he was in favor of Mr. Kaplan's motion because the Agency's experience in stimulating extensive interest has not been good and it was unproductive to have Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, seek proposals from a large number of brokers when she knew they would not respond. Ms. Blomquist inquired the number of brokers to which solicitation would be limited, and Mrs. Hale replied that there were four or five.

Mrs. Rogers came forward and indicated that there were some small insurance firms in the Western Addition A-2 which have not responded but urged that they be kept on the listing. Mrs. Hale indicated that she was aware of those three firms and would do so. In response to President Wexler's inquiry, Mr. Kaplan indicated that he had made the suggestion after speaking with brokers and since they all go to the same source for insurance coverage and there are only a certain number of companies which will consider insurance with the Agency, it was pointless to solicit on a larger scale. He noted his willingness to amend his motion to specifically include the three brokers

NEW BUSINESS (continued)

in the Western Addition A-2.

MOTION: It was moved by Mr. Kaplan, seconded by Ms. Blomquist, that solicitation of auto fleet insurance proposals be limited to insurance brokers who have submitted proposals within the past year and to the small individual firms in Western Addition A-2 who wish to remain on the list.

Ms. Shelley expressed concern that provision be made to permit a new company from receiving an invitation to submit a proposal and Mrs. Hale responded that in the past anyone requesting placement on the list has been added. Mr. Kaplan and Ms. Blomquist indicated their agreement to amending the motion to reflect this. Dr. Williams inquired if there was any public notice, and Mr. Hamilton replied negatively indicating that the solicitation was direct.

MOTION: It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that solicitation of auto fleet insurance proposals be limited to insurance brokers who have submitted proposals within the past year, to the small individual firms in Western Addition A-2 who wish to remain on the list, and to those additional firms requesting placement on the list.

- (1) Consideration of authorization to accept the low bidder for carpet replacement. This item concerns expenditure of funds for carpet replacement in the Central Office fourth floor lobby, conference room and executive offices. The low bidder of three was Floor Styles Commercial Corporation for \$2,717.41 to replace the stained and damaged carpeting.

MOTION: It was moved by Mr. Kaplan, seconded by Ms. Shelley, and unanimously carried that expenditure be approved for carpet replacement for the Central office fourth floor lobby, conference room and executive offices.

ADJOURNMENT

It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:45 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

7

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF MARCH 1977

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of March 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice-President
Dian Blomquist
Rubin Glickman
Walter F. Kaplan (arrived at 4:25 p.m.)
Melvin D. Lee
Dr. Hannibal A. Williams

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Arnold G. Townsend, Fred Noldon, Gene Stancil, Benny Stewart, and Wade Woods, Western Addition Project Area Committee (WAPAC); Phil Chin and Jack Quan, Chinatown Coalition for Better Housing; Ike Guillory, Tom Harrington and Mike O'Neill, Hargil Construction, Inc; George Omi, Don Knorr, Omi Lang Associates; Wayne Osaki and Michio Yamaguchi, architects; Dr. James Delameter and Pat Delameter; Peter Rocke-Ley, architect; Essie Collins, Irene Yarborough, Don Geddes James Gibbs, Nobuo Kitagaki, W. Ballard, Joseph Day, Dan Powers, Mrs. Gilbert Williams, George Stewart, Wesley Whitehead, Victoria Meek, Don Goins, Garth Collier, Adrian Carpentier, Winifred Forbes, Olima Henderson, Peter Mendelsohn, Jean Morell, Robert Spear, George Cato, and other interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of a Regular Meeting of February 22, 1977, as distributed by mail to the Members be approved.

SPECIAL APPEARANCES (Presentation of Chinatown Housing Needs)

- (a) Mr. Hamilton indicated that in response to concerns expressed at earlier meetings the Chinatown Coalition for Better Housing had been invited to speak about the housing needs for the Chinese community. Mr. Hamilton noted that Mr. Philip Chin was present to comment on these needs and show a film depicting the housing conditions in Chinatown.

SPECIAL APPEARANCES (continued)

Mr. Chin came forward and indicated he was one of the co-chairmen of the Chinatown Coalition for Better Housing and that he was honored and pleased to have the opportunity to speak before the Members. He noted that the community was confident that the Agency was sympathetic and responsive to requests for aid in solving their housing problems. He believed that it was unnecessary to use strong-armed tactics in dealing with the Agency but urged the Members to consider the needs. He introduced Mr. Jack Quan who addressed the Members in Chinese indicating that he was a new immigrant who arrived three months ago. He indicated that he had found housing conditions in San Francisco to be very strange with no availability of good housing. He wondered why the Stockton/Sacramento project had not proceeded more rapidly since it appeared to be a worthwhile project which was urgently needed. He stressed that he represented many other immigrants who found housing conditions deplorable. Mr. Quan reported that his income was only \$400 a month and that he had to pay \$220 in rent and it was difficult to support his family of two children. He urged the Agency to develop housing in Chinatown particularly for the elderly and low-income families.

Mr. Chin then presented a film on living conditions in Chinatown which depicted badly deteriorated housing and the overcrowding of families into structures with inadequate facilities. He stressed that there was little in Chinatown and that it was at a premium.

Mr. Chin noted that in 1970 a Citizens Advisory Committee was formed under a 701 housing grant which in 1972 became the Chinatown Coalition for Better Housing. The Coalition still has little to show in terms of concrete results during the past seven years. He indicated these years had largely been spent in an educational effort to convince the City, Planning Commission, and HUD of the need for low-cost housing in Chinatown. As an example of the lack of response to the community's housing needs in the last three years, \$86 million of Community Development funds had been allotted for projects in the City and out of that total Chinatown received \$2.5 million or about three percent. Of this \$2.5 million, \$1.5 million was allocated for site acquisition which represented only 1.6 percent of the CD funds. He stressed his concern because Chinatown represented more than three percent of the city's housing needs. Even now there is danger of losing the \$1.5 million because if it is not soon used it will be lost. Mr. Chin indicated that there were rumors that the Stockton/Washington site was going ahead but nothing had been heard officially. He also noted that even though the Agency did not allocate the CD funds it was pivotal in their case. Mr. Chin expressed concern that it appeared certain City agencies and officials were in competition with one another and Chinatown people ended up being losers. He indicated that the Coalition had nothing against any City agency nor did it favor any, but only sought aid in providing decent housing for their community. He also believed that he was not always apprised of what was happening and urged that better methods of reporting be developed so that everyone knows where the money is going. He asked that the Chinatown housing needs be made a focus of attention by City agencies concerned with housing. He noted the 701 housing study which set a goal of 2,000 units of rehabilitated housing and 2,000 for new construction but so far there had been nothing done. He concluded his remarks by indicating that the Coalition wished to work with the Agency to solve these problems.

President Wexler thanked Mr. Chin for his comments and asked Mr. Hamilton to comment on his remarks. Mr. Hamilton indicated that efforts were being made to

SPECIAL APPEARANCES (continued)

improve communication. He noted that the Community Development program was controlled by others and was ultimately approved by the Board of Supervisors. He noted that there were frequently dual assignments given to the Agency and City Planning that required that the Agency determine how to move ahead in concert with another Agency in a way that best addresses the needs of the community. He suggested that the Agency could perform more effectively if given the lead assignment. He indicated that better coordination and a better working relationship was being developed with Mr. Rai Okamoto, Director of City Planning and himself.

President Wexler indicated that Mr. Chin had mentioned that 2,000 units were to be rehabilitated and 2,000 housing units constructed and inquired if Mr. Chin believed those were all to be provided in Chinatown. Mr. Chin answered affirmatively and indicated that those numbers were taken from the 701 housing study done by City Planning in 1970 and were estimates. He added that the study called for the units to be provided in a ten-year period or by 1982 which is only five years from now. In response to President Wexler's inquiry Mr. Chin responded that it would not be realistic to provide 4,000 units of housing in the core area of Chinatown but that some units would have to be outside of that area. However, there is a great need in the core area because of the recent arrivals and elderly people who are dependent upon the services and shops available in the Chinatown area, otherwise they would be isolated if located in other neighborhoods. President Wexler inquired where Mr. Chin thought the additional housing should go, and Mr. Chin replied that he had spoken with the Agency and City Planning about various sites but no specific location had been selected. President Wexler inquired about the Richmond District as a possibility and Mr. Chin indicated that it would be easier to construct housing in other parts of the city but he believed the area west of Taylor and north of Broadway, Nob Hill, and close to Chinatown would be better. He believed the Richmond would be difficult because of the zoning to achieve the necessary density of units. In response to Mr. Lee's inquiry, Mr. Chin noted that he had not looked at the Richmond area but believed that the housing should be near the services available in Chinatown and he reiterated that zoning would be a problem because it did not permit high-density development. Mr. Lee suggested that the Richmond could be spot zoned and asked that various locations in the Richmond and Chinatown be evaluated and a list of potential sites be provided him. Mr. Chin indicated that the elderly had no mobility and that the Richmond would be more appropriate for family housing.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) Yesterday the Board of Supervisors approved the designation of a survey area on the Northeastern Waterfront to determine the feasibility of a redevelopment project in the area extending from Pier 7 to China Basin. These studies will involve the City Planning Department and the Agency.
- (b) Site Improvement Contract No. 16 in Hunters Point which was rejected last week by the Members had been readvertised on February 25, 1977 and bids will be opened on March 22.
- (c) Construction has commenced on a 68-unit apartment building in Western Addition A-2 at the corner of Gough and Sutter. The six-story apartment house is valued at \$2,200,000 and is being built by Alexander Maisin.

UNFINISHED BUSINESS

- (a) Resolution No. 45-77 designating Courtyard Garden Investment Company as redeveloper of Parcel 674-E; directing that the Executive Director take the necessary action to obtain approval of the proposed redeveloper from the Department of Housing and Urban Development and to publish a notice of public hearing in connection with the proposed disposition of the parcel in Western Addition Approved redevelopment Project Area A-2, 1668 Sutter Street.

Mr. Hamilton indicated that seventeen responses had been received in response to offering of three parcels for multi-family market rate development in the Western Addition.

Staff recommends designation of the Courtyard Garden Investment Company as the redeveloper of Parcel 674-E at 1668 Sutter Street for construction of twelve two-bedroom units renting at \$400 per month. The company is a joint venture proposed by Messrs. George Omi, Willie Lang, Dorothy Omi and Paul Seto and the architect is Don Knorr, AIA. The developers have experience in the area and are certificate holders and area residents. Estimated construction cost is \$410,000. Mr. Hamilton indicated that staff considered the design as excellent and the development economically feasible.

President Wexler invited representatives of the Western Addition Project Area Committee (WAPAC) to make any comments on this parcel and indicated that other speakers would then be heard.

Mr. Wade Woods came forward and indicated that design quality was not an original criteria for evaluating proposals but were added later when the developers appeared before the WAPAC Board of Directors. He reported that WAPAC recommends Hargil Construction, Inc. as developer of parcel 674-E because of its attitude toward the community. He noted that Hargil had been asked only to provide a design for the garage parking. He believed that black people could not afford housing in the area and that the Courtyard Garden proposal was out of their range. He believed that \$400 per month for two-bedroom apartments was excessive for people to pay. Hargil Construction Company proposes to construct six two-bedroom units, six one-bedroom and three studio units at rents which would accomodate professional or office persons. He indicated that Agency staff had questioned the design of the proposal and whether an architect certified in the State of California would be used, also there was an allegation that the proposal was submitted late.

Mr. Ike Guillory of Hargil Construction, Inc. came forward and indicated that he was a partner in Guillory and Harrington, the development company submitting a proposal on parcel 674-E. He noted that the firm was experienced and that the building would be designed for people in the Western Addition area at rents they could afford. He indicated that he was a qualified developer and that the building would be similar in design to others in the project and the rents would be \$315 for the two-bedroom units, \$265 for one-bedroom and from \$215 to \$225 for the studios. He noted that he had not had enough time to prepare a more complete building design. In regard to the contention that his proposal was submitted late, Mr. Guillory indicated that this was not so. Mr. Woods again noted that WAPAC recommended Hargil as the developer for the parcel.

UNFINISHED BUSINESS

Mr. Mike O'Neill came forward and indicated that he was working on an apartment under construction at Franklin and Eddy and that he was appearing in behalf of his brother John O'Neill who had made a proposal to build fifteen apartments of one and two-bedroom units for an estimated construction cost of \$345,000. He indicated that the three one-bedroom units would rent for \$260 to \$290 and the twelve two-bedroom for \$330 to \$350. He was concerned that he was not considered a developer and considered this unfair. He indicated he had a good affirmative action program which he would continue regardless of any union problems. He also indicated that rents would have to be realistic because of high building costs.

President Wexler indicated that the purpose of the meeting was to hear from all persons submitting proposals and he stressed that no final decision had been made.

President Wexler inquired of Mr. Woods about the meaning of his statement referring to the attitude of the community as one of the reason for recommending selection of Hargil Construction. Mr. Woods responded that he believed that the criteria for selection should include the developers' affirmative action program as well as the ability of the contractor to do the job. He indicated that the Agency staff had based its evaluation on the ability of the developer to do the job. The Hargil Company indicated that they would work with WAPAC and have an affirmative action program to hire community people.

Mr. Glickman indicated he wished to hear from Mr. George Omi of Omi Lang Associates. Mr. George Omi, representing the Courtyard Garden Investment Company, came forward and indicated that at the time that the question of an affirmative action program was raised, he had already responded to the requirements of the proposal concerning his ability to do the job. He had indicated to WAPAC that he would look for a contractor who would do a good job and had not realized WAPAC was inquiring about his proposed affirmative action program. He indicated that he would employ a contractor who would work with WAPAC and have a good affirmative action program. He added that he met all of the requirements as set forth in the developers' statement with respect to economic feasibility, financial capability, and architectural quality. Mr. Omi indicated that the architectural aspects of the Guillory and Harrington proposal had been prepared by Mr. John E. Baumann who was a certified designer with the State of California as opposed to being a licensed architect. He inquired if licensing made a difference in the acceptance of the proposal. Mr. Omi indicated he only questioned this matter because the developers' statement indicates a building must be designed by an architect licensed in the State of California. Mr. Glickman questioned Mr. Hamilton if this was a requirement that a building be designed by an architect rather than a building designer, and Mr. Hamilton referred the question to Mr. Ed Ong, Chief of the Architectural Division, who responded that the offering did indicate that a registered architect would be required to do the design for any proposal submitted. He indicated that this requirement needed clarification since the matter was questioned several years previously and the Agency's General Counsel indicated that a licensed designer in California would satisfy the requirement. Mr. Lee noted that it appeared that Mr. Baumann met the criteria and asked Mr. Guillory to explain how his rents were lower. Mr. Guillory indicated that his firm could set lower rents because his firm was both owner and contractor and this eliminated a number of overhead costs which many developers had to contend with. He also indicated that he got better prices and could pass these savings on to people in the neighborhood.

UNFINISHED BUSINESS (continued)

He indicated this was an expression of the firm's intention to work with the community. Mr. Glickman questioned Mr. Guillory about the importance of the design criteria in the proposal and noted that staff believed this was an important consideration. Mr. Guillory indicated his intent was to design a building for the neighborhood with open space and that the design would be developed if he was selected as developer. He noted that the design standards are ultimately controlled by the Agency architectural staff and if it did not meet the Agency's standards it had the power to change the design to conform with the surrounding area. He indicated he was flexible as to design of the building. Mr. Glickman inquired if Mr. Guillory had prepared a detailed design of the building's exterior and Mr. Guillory replied that floor plans and elevations had been prepared for the WAPAC presentation. In response to President Wexler's inquiry Mr. Quintin McMahon, Director of Real Estate, Marketing and Business Development, indicated that the building designs were available for the Members' review.

President Wexler inquired what other elements besides the affirmative action program and low rents were considered in the Guillory and Harrington proposal. Mr. Guillory responded that the parking area design for the development was such that cars would not have to back out on Sutter Street but could drive straight out, and noted that he believed this design was all he had been requested to provide at this time of the proposal. Mr. Woods indicated that WAPAC favored the Hargil proposal because of its flexibility, design, and rent structure and recommended its selection rather than the Courtyard Garden proposal.

Mr. Arnold Townsend of WAPAC indicated that he was pleased with the interest expressed in architectural design because he believed many of the buildings in the area lacked architectural merit. He believed that Mr. Guillory's attitude toward affirmative action was important, since he believed that many people doing rehabilitation work in the project did not comply with affirmative action goals. He indicated that WAPAC had spent a great deal of time evaluating the proposals and based its recommendations for developers on a criteria that would provide the greatest benefit to the community.

Mr. Omi indicated that the Agency's development package indicated that architectural excellence was to be encouraged in the project area and he read a portion of the statement contained in the brochure containing the wording that a registered architect in the State of California must be used. Mr. Hamilton indicated that the proposals had not required affirmative action information and in the final analysis this aspect is decided at the time a contractor is selected. In the case of the Guillory and Harrington proposal the developer and contractor are the same entity so their affirmative action program can be evaluated. President Wexler asked for clarification of the methods used to evaluate proposals and Mr. Hamilton asked Mr. McMahon to respond. Mr. McMahon indicated that the criteria for evaluating the proposals were established and approved by the Agency and included economic feasibility, financial strength of the developer, the developer's track record, architectural qualities, and compliance with the Western Addition A-2 Redevelopment Plan. The proposals were evaluated by arbitrarily assigning certain weights to these factors. One key element is architectural quality which was assigned 30 points out of a possible 100. Economic feasibility and experience, as well as ability to proceed expeditiously with the development were also assigned weights and evaluated by staff. Another element was in the form of a ten percent point bonus to developers who were area based.

UNFINISHED BUSINESS (continued)

The HUD form pertinent to redevelopers' qualifications requires evaluation of the experience of the developer and it is an Agency objective to expeditiously complete developments. In response to Mr. Guillory's inquiry as to the definition of an area-based developer Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that certificate holders, those who have businesses in the area as well as residents, are assigned extra points and he noted that Hargil Construction was not located in the redevelopment project.

Dr. Williams commented that the recommendation of the community as represented by WAPAC should merit extra points. Mr. Hamilton noted that WAPAC and staff recommendations should both be considered by the Members and stressed that in this case the judgments were difficult. Dr. Williams stressed his belief that since the Agency contracted with WAPAC to report on the views of the community, he believed that WAPAC's recommendations should be given a weighting in staff recommendations.

President Wexler inquired of Mr. Guillory what material he proposed to use for the exterior finish of the development, and he replied that he would work with the architectural staff of the Agency on this but that he was considering use of materials such as stucco, cedar shingling, wood veneer on the garage, or whatever would preserve the integrity of the neighborhood. Mr. Omi introduced his architect, Mr. Don Knorr, who indicated he anticipated using either stucco or shingles but would develop the final decision in conjunction with the architectural staff. President Wexler inquired if the Hargil group was considered as an A-2 based group and thus was given ten points bringing it up to or above the Courtyard Garden group. Mr. McMahon indicated if the Hargil proposal was given ten points they would then have more points than the Omi group. President Wexler suggested that some recognition be given to the fact that Guillory and Harrington had the support of WAPAC. Mr. McMahon expressed his belief the Hargil proposal was not of the quality of Mr. Omi's. Mr. Lee indicated that Mr. McMahon had given the Hargil proposal a lower rating on the basis of design and inquired if the final drawings were subject to his approval. Mr. McMahon replied that the proposal requires the developer to submit plans and developers are to work with the architectural division. Mr. Lee inquired if the points could be increased for architecture on Hargil, and Mr. McMahon referred the question to Mr. Ong.

Mr. Glickman asked about the economics of the rent structure since it appeared that to a certain extent WAPAC based its recommendation on the lower rents proposed by Hargil. Mr. McMahon indicated that the Omi proposal would provide a quality of construction superior to that of Hargil's proposal, thus construction costs were higher resulting in higher rental rates. In response to Mr. Glickman's inquiry about the desirability of two-bedroom units with large square footage, Mr. McMahon indicated that each developer established his own mix which was based on the economics of the development. He indicated that there were many ways to look at the matter but it was left to the developers' expertise to make such decisions.

Mr. Hamilton suggested that it was important for the Members to consider the recommendation of WAPAC, however the extra ten points were given to Mr. Omi since he was an area-based developer. In response to President Wexler's inquiry, Mr. Ong replied that the evaluations are based on submissions that came to the Agency within the deadline and since the Hargil drawings had been submitted

UNFINISHED BUSINESS (continued)

later there has been no opportunity to look at them.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that Isaac T. Guillory and William P. Harrington be designated as redeveloper of parcel 674-E; directing that the Executive Director take the necessary action to obtain approval of the proposed redeveloper from the Department of Housing and Urban Development and to publish a notice of public hearing in connection with the proposed disposition of the parcel in Western Addition Approved Redevelopment Project Area A-2, 1668 Sutter Street (Resolution No. 45-77.)

President Wexler commented that these were difficult decisions for the Members to make but noted his pleasure in seeing the competition on each of the parcels. Ms. Blomquist urged the other developers to consider future offerings of the Agency.

- (b) Resolutions No. 49-77 designating Mr. and Mrs. Wesley Whitehead as redeveloper of parcel 677-G; directing that the Executive Director take the necessary action to obtain approval of the proposed redeveloper from the Department of Housing and Urban Development and to publish a notice of public hearing in connection with the proposed disposition of the parcel in Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that seven proposals were received and considered for parcel 677-G and it is staff's recommendation based on the overriding equity of his long-term residency in the community and involvement in community affairs that Mr. Wesley Whitehead be designated as the redeveloper of the parcel. Mr. Hamilton indicated that Mr. Whitehead needed to improve the quality of his design but believed that this could be accomplished through cooperation with the architectural staff. Mr. Whitehead plans to construct fourteen units consisting of three studios, three one-bedroom, seven two-bedroom, and one three-bedroom unit at a total construction cost of \$532,000 which is on a parcel adjacent to Cottage Row.

Mr. George Stewart came forward and indicated that he would not submit a proposal again because he believed there was confusion between the evaluation guidelines in the offering package and factors which were subsequently presented and considered in making decisions. He indicated that he had received different information from different staff people on the qualifications being evaluated and that he had spent \$1,600 to prepare a proposal and then found out there were varying viewpoints on the evaluation criteria. He considered this to be political in nature. He noted that he was from the northern portion of Western Addition A-2 and was currently rehabilitating his 22 unit apartment building and had an ongoing interest in the community. He commented Mr. Whitehead was a deserving person for the designation but believed that the selection criteria should be clear and consistently applied. He indicated that he was informed specifically that certificate holders were not an important part of the evaluation criteria and had he realized this factor was weighted in the decision he would have withdrawn. He commented that he did not believe this was a true technical evaluation. He noted that his proposal was market-rate housing and that without subsidies developers could not build for low-income people. Mr. Stewart indicated that more subsidies were needed and urged that the Agency save more Victorians. He believed that the money and time he had spent on the proposal were wasted. President Wexler indicated that the policy of returning deposits had discontinued and no final decision had been made to select developers and that the Members were now considering the recommendations that had been made. He stressed that the Members were not bound to follow any

UNFINISHED BUSINESS (continued)

recommendation and urged that Mr. Stewart continue to participate in the project.

Mr. Hamilton noted that the preference given to certificate holders was clearly indicated and he was uncertain as to who would make a statement to the contrary. Dr. Williams noted that when developers submitted proposals there was always some risk. Mr. Stewart indicated that he was willing to participate but urged that the rules be clearly set forth. He indicated that he now knew it was futile to submit a proposal if certificates of preference were given special consideration.

Mr. Benny Stewart of WAPAC indicated that new people were moving into the area and expressed concern that the dominant black population not be uprooted. He believed that the proposals for high monthly rents were alarming because these apartments were too expensive for the area residents.

Mr. Wesley Whitehead came forward and indicated that he had moved into the area in 1924 and in 1942 had bought property on Webster Street. He indicated that he had lived in the area and paid taxes for 36 years and when the redevelopment began he had requested the right to rehabilitate his home but instead had had to sell his property to the Agency which he had done with the understanding that he could move back into the area. He indicated that he wished to build in the area and that Mr. Wayne Osaki was his architect. He intended to construct eleven units of two one-bedroom units renting for \$275 and eight two-bedroom units renting for \$475 per month, plus one three-bedroom unit for his own use. He indicated that he intended to build units that would make people comfortable. Mr. Whitehead commented that he had tried to purchase a property for rehabilitation but CANE had demonstrated so that he could not do this and he lost money on that proposal because he had to pay the architect. He stressed his desire to be considered as a redeveloper of the parcel.

Mr. Michio Yamaguchi, architect for the Sakurai-Okamoto proposal, came forward and indicated that his clients were led to believe they would be recommended by staff and asked for a clarification. Mr. Hamilton indicated that technical staff had recommended the proposal but in evaluating the overall consideration such as Mr. Whitehead's long residency in the area he had overridden the staff recommendation and asked the Members to designate Mr. Whitehead. He reaffirmed that the earlier practice of returning deposits to those who made proposals had been discontinued and deposits would be given back only after the Members reached a decision.

Mr. Omi indicated that he did not understand why the Cottage Row Park Investment Company proposal had not been recommended because its rents were lower, and added that he was a certificate holder but Mr. Guillory was not.

Mr. Wayne Osaki, architect for the Whitehead proposal, indicated that he had plans and illustrations for the development but that because in the instructions in the developer's packet architectural plans were not required but only a general concept was requested, there was some confusion. He indicated his drawings were general and suggested that it would be difficult for staff to determine architectural qualities from such drawings. He believed that during the evaluation process certificate holders should all be given equal ratings and a uniform rating method established otherwise bitterness is created in the community. He indicated that the building proposed for construction by Mr. Whitehead will be attractive and he would work with the architectural staff and WAPAC as well as the neighbors.

UNFINISHED BUSINESS (continued)

Mr. Yamaguchi indicated that there were well qualified developers who were certificate holders and that the Agency appeared to be basing its development on a rent structure which a developer cannot be forced to maintain. He believed that Mr. Omi's certificate preference should be an overriding consideration. Mr. Hamilton responded that preference certificates were a major consideration, however there were equities to be made among certificate holders and the staff and WAPAC recommendations were based on this point. Mr. Yamaguchi indicated his belief that there were three certificate holders submitting proposals on this parcel; therefore the Agency's position was inconsistent.

ADOPTION: It was moved by Mr. Kaplan, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 50-77 designating Victoria Meek, an individual, as redeveloper of parcel 1129-E; directing that the Executive Director take the necessary action to obtain approval of the proposed redeveloper from the Department of Housing and Urban Development, and to publish a notice of public hearing in connection with the proposed disposition of the parcel in Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that three proposals had been submitted on parcel 1129-E and that Victoria Meek had been recommended as the developer to construct a 12-unit rental apartment consisting of eight one-bedroom units at \$285 per month, and four two-bedroom units at \$360 per month. Mr. Peter Rooke-Ley is her architect, and estimated construction cost is \$375,000. Mr. Hamilton indicated that the design was compatible with neighborhood properties. President Wexler invited anyone interested in the parcel to comment.

Dr. James Delameter came forward and indicated that there were neighbors who did not feel that the Victoria Meek proposal was acceptable and he indicated that a signed petition from those in the neighborhood had been given to the Agency. It was the belief of the neighbors that a smaller number of units was more desirable. He also noted that it was a neighborhood in which everyone knew one another personally and they were concerned about proposals to increase density. His proposed construction of a seven-unit building with four one-bedroom units and three two-bedroom units, for a total construction cost of \$448,000. Mr. Delameter indicated that one of the innovations was that the building would be solar heated to permit an eighty percent savings in heating costs. This would decrease the cost of heating the building, therefore the cost of utilities will be fixed and the rents will not need to be raised to pay for increased fuel costs. It would be the first solar building in the city. He indicated that Willie Ballard would be the contractor and he has worked on other projects in the area and had an excellent affirmative action program. An attempt would be made to preserve the mix of younger and older people and also the heterogeneous character of the neighborhood. President Wexler asked if anyone else wished to speak on the matter.

One resident of 2000 Eddy Street came forward and indicated that he was in favor of Dr. Delameter's proposal. He indicated that he lived one block from Kaiser Hospital and there was always a parking problem, therefore he believed that construction of a smaller number of units was more desirable.

Mrs. Essie Collins came forward and indicated that she has lived in the area for twelve years and that there had been a building of about five units on that

UNFINISHED BUSINESS (continued)

parcel originally. She indicated that the streets were too narrow to accomodate the congestion that would be generated by construction of more than seven units and noted that as an example of the hazards two houses on this street had been damaged by automobiles. She indicated also that she was the former chairman of WAPAC and that she shared its concerns but that it was difficult to provide housing for the low income without subsidies. She asked consideration of Dr. Delameter's proposal of seven units.

Mr. James Gibbs came forward and indicated he lived one block away from the parcel and worked in the area at Kaiser Hospital. He indicated Dr. Delameter had helped others and was active in the community and that he believed the development would benefit the area but to put more than seven units there would crowd the street.

Mr. Nobuo Kitagaki came forward and indicated that Dr. Delameter's proposal was needed to maintain the family neighborhood feeling. He indicated that the Agency itself has created social, economic, and physical changes in the area and suggested that it had also pitted racial groups against one another in granting these proposals. He expressed concern that there were now church parking lots where beautiful Victorians had been torn down and he said he had supported CANE in some things but not in all, but he did support Dr. Delameter's proposal.

Ms. Irene Yarborough came forward and indicated that she preferred seven units to twelve and that the Victoria Meek proposal had too many apartments on a small lot and also that the apartments were too small.

Mr. W. Ballard came forward and indicated that he had been a builder for twenty-seven years and that on most structures rents would increase but on this seven-unit building, because of the solar heating, they would decrease or stay the same.

Mrs. Gilbert Williams came forward and indicated that she would like to see seven units rather than a flop house in her neighborhood and that it was a nice, quiet neighborhood and it ought to be kept that way.

Mr. John Day came forward and indicated that his property was next door and that lower density was desirable because it permitted higher levels of awareness and responsibility among the neighbors and lower incidents of neighborhood violence.

President Wexler asked if there were others present who wished to speak on other development proposals.

Mr. Dan Powers came forward and indicated that he was speaking on behalf of Victoria Meek. He indicated that he was a real estate agent and had managed buildings for Ms. Victoria Meek for ten years. He indicated that her rent schedules were below market and she maintained better than usual tenant-landlord relationships. He commented that she was a hard-working person.

Ms. Victoria Meek came forward and indicated she lived at 124 Lyon Street and was pleased to hear that the neighbors thought so highly of the neighborhood and that she believed her development would enhance its quality. Mr. Peter Rooke-Ley, architect for Ms. Meek, came forward and indicated that she had seen the site and asked him what could be done with it. Her plans were to have spacious units which would suit the neighborhood and a building designed in keeping with the character of the neighborhood. He indicated that the site was difficult because it was sloped but it did have a view of the city and the

UNFINISHED BUSINESS (continued)

two-story apartment unit was designed to take advantage of the view and would have parking underneath the building. The building is much lower than the other buildings in the area. Mr. Rooke-Ley indicated that the redevelopment plan for medium density areas call for 140 persons per net acre but that this building has only 65 persons per net acre.

Mr. Townsend came forward and indicated that it was never suggested that a flop house be built in the area. He commented that there were many people who are not property owners but they have to live in the city and pay rents and that rents of from \$350 for a one-bedroom and \$550 for a three-bedroom unit were too high to permit them to save money and become property owners. He indicated that if a density differential from nineteen to forty units were involved, WAPAC would agree with the Delameter proposal but the difference of a seven unit versus a twelve-unit building was not significant. He also noted that the question of parking was not relevant because developers had to provide parking space for the units. WAPAC was concerned about the high rental rates and he believed that \$550 per month for a three-bedroom apartment would permit three adults to live comfortably but one family could not pay that much. He indicated WAPAC wished to keep rents in line and be responsible to the people it represents. He stressed that Ms. Meek had the respect of her tenants and she of them and that she would keep rents in line. He also invited people from Dr. Delameter's neighborhood to participate in WAPAC. He indicated she was a black woman developer and the only one that he knew of and recommended that the Agency take a chance on her.

Mrs. Pat Delameter came forward and indicated that previously Mr. Townsend had indicated that he supported people in the neighborhood and noted that Ms. Meek was a large developer from outside the project. Ms. Meek indicated she was not.

President Wexler inquired about the rental rates for the Delameter proposal. He noted that he understood that the initial proposal was for \$400 for a one-bedroom unit and \$600 for a two-bedroom unit. Currently it is \$325 and \$550, with the square footage for one bedroom of 950 and 1,466 for two bedrooms. Mr. Glickman asked Dr. Delameter if he intended to carry out the solar heating regardless of financial feasibility and Dr. Delameter responded affirmatively noting that a San Francisco-based firm would do the work. Dr. Delameter indicated that the exterior would be either diagonal cedar or stucco which would be determined by the financial feasibility but that the solar reflectory would not be deleted. President Wexler inquired if he would be willing to work with the architectural staff of the Agency and Dr. Delameter replied affirmatively.

Dr. Williams indicated that today's decision was a difficult one since the people present were his neighbors, and he had worked with them in community affairs. He noted that many of them were former WAPAC board members and he respected the investment of these people as home owners. However, in considering the Agency's responsibility to introduce the innovative solar heated home which he believed could be a guideline for future development, he would favor the solar energy development of Dr. Delameter.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Kaplan, and unanimously carried that James W. Delameter and H. Garth Collier, individuals, be designated as Redevelopers of Parcel 1129-E; directing that the Executive

UNFINISHED BUSINESS (continued)

Director take the necessary action to obtain approval of the proposed redeveloper from the Department of Housing and Urban Development and to publish a notice of public hearing in connection with the proposed disposition of the parcel in Western Addition Approved Redevelopment Project Area A-2, SE corner of Broderick and Eddy Streets. (Resolution No. 50-77).

President Wexler indicated that he added his support although it was not easy to go against WAPAC's and the staff's recommendation but the overwhelming support of the neighbors of that area in favor of Dr. Delameter's proposal and the potential new development in solar energy were compelling factors in the Members' choice. He hoped WAPAC and the people involved would work closely together and urged the other developers to participate in parcels which would be offered later.

- (d) Resolution No. 225-76 authorizing the Executive Director to execute an agreement regarding affirmative action respecting the Yerba Buena Center Approved Redevelopment Project, Calif. R-59.

President Wexler indicated that one of the Members had requested further information on this item and in the interest of time on today's agenda and with no prejudice on any action next week, he suggested that this item be held over until then. Mr. Lee indicated that he wished to study the wording of the agreement more closely and needed more time to do so. President Wexler expressed his apologies to those interested in the matter who had waited for it to be heard.

- (e) Resolution No. 1-77 approving form of contract for bond counsel legal services required in connection with the financing of residential rehabilitation under the Marks-Foran Act of 1973 and residential construction under Senate Bill 99, Chapter 48, Statutes of 1975, and authorizing execution thereof, Hunters Point, Western Addition A-2, and Yerba Buena Center Approved Redevelopment Project Areas.

This concerns execution of a contract for legal services with Wilson, Jones, Morton and Lynch for bond counsel services for the Agency's rehabilitation financing program and establishing the necessary bond work for Senate Bill 99 at a cost not to exceed \$25,000.

ADOPTION: It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

NEW BUSINESS

- (a) Resolution No. 51-77 approving an agreement with the Pacific Telephone and Telegraph Company for providing telephone service to the India Basin Industrial Park Approved Redevelopment Project.

This item concerns execution of an agreement with the Pacific Telephone and Telegraph Company to underground the telephone system being built under Site Improvement Contract No. 18 in the Cargo Way to Evans Avenue area at a cost estimated at \$31,392. The net cost after payment by the telephone company for conduit material is \$21,297.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (b) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 19, India Basin Industrial Park Approved Redevelopment Project.

This concerns advertisement of Demolition and Site Clearance Contract No. 19 in India Basin for clearance of one vacant corrugated metal building and compacting and importing of an estimated 250 cubic yards of fill material on the building site. Mr. Kaplan inquired if the building could be taken down by hand, and Mr. Hamilton responded that this was not feasible because of the type of construction. President Wexler inquired if the tenant had been relocated, and Mr. Hamilton replied affirmatively.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that Demolition and Site Clearance Contract No. 19 in the India Basin Industrial Park Approved Redevelopment Project be advertised.

- (c) Resolution No. 52-77 requesting exception for certain projects pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, revised regulations of October 26, 1976.

This item concerns HUD regulations for relocation which were changed October 26, 1976 to delete provision which allowed expenditures of up to \$100,000 for physical changes to accomodate displaced businesses. The action proposed would correct an inequity imposed upon businesses or nonprofit organizations displaced by Agency action. The HUD regulation change recognized this potential inequity by providing that exceptions can be made if the proposed action is taken to have the Agency formally request exemption for on-going projects. President Wexler inquired why the action was taken and Mr. Hamilton indicated that it was budgetary and required communities to expend part of their Community Development funds to pay for business relocation charges. In reply to Ms. Blomquist's inquiry, Mr. Hamilton replied that this would apply only to on-going relocations.

ADOPTION: It was moved by Mr. Kaplan, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 53-77 approving a settlement of claim by All Hallows Associates for extra work on the construction of housing units in MPPH Site 5, Hunters Point Approved Redevelopment Project.

This represents settlement of a claim for \$18,842 from All Hallows Associates for items such as additional anchor bolts, relocation of Pacific Gas and Electric lines and utility boxes, and delays incurred in the construction of the housing units in MPPH Site 5 at Hunters Point. The original claim was for \$25,910 and was negotiated by staff, the sponsor, and the contractor and an agreement was reached that payment in full of \$18,842 would complete payment for all claims.

Mr. Lee inquired if there were any written orders concerning the additional work, and Mr. Kernan explained that the work was done by the housing sponsor and his consultants and not the Agency, so therefore the Agency did not issue any change orders. The Agency had a liability because the site was not in a buildable condition without making changes. The utility lines were in the area but conflicted with retaining walls the developer wished to install, and these needed to be moved. Ms. Blomquist inquired if this problem was known before the contract was started, and Mr. Kernan answered negatively noting that the disposition agreement requires provision of adequate utilities but the claims from the sponsor indicated they were not. The site improvement work was done in 1972 and the utilities were in the right area but not the specific location

NEW BUSINESS (continued)

needed by the sponsor who did not construct the units until 1975 and 1976. President Wexler believed it was proper for a public agency to settle claims when a mistake has been made and that this type of cooperation would encourage others to expect fair treatment from the Agency and aid in moving the project forward.

ADOPTION: It was moved by Mr. Kaplan, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 28-77 approving travel authorization for Wilbur W. Hamilton, Acting Executive Director, and Arthur F. Evans, consultant, to Washington D.C.

This represents travel authorization for Wilbur W. Hamilton, Acting Executive Director, and Arthur F. Evans, Consultant, to travel to Washington, D.C. from March 4 to March 8, 1977 for the purpose of attending meetings with the National Association of Housing and Redevelopment Officials (NAHRO) staff and also with HUD Central Office legal counsel's staff on expansion of the Federal loan guarantee program that would enable San Francisco to undertake redevelopment projects which cannot be funded over a short period of time.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration of extension of janitorial contracts for Central Office and Hunters Point Site Office to February 28, 1978.

Mr. Hamilton indicated that the janitorial contracts for the Central and Hunters Point Site Offices is due to expire on February 28, 1977 and it is recommended that they be extended to February 28, 1978 with Albright Janitorial Service which included a nine and one half percent increase at the new price of \$903.38 per month for Central and \$618.68 per month for the Hunters Point office. Mr. Hamilton indicated that the minority firm's performance had been exemplary particularly during a time when construction was going on.

MOTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that the Executive Director is authorized to execute janitorial contracts for Central Office in the amount of \$903.39 and Hunters Point Site Office in the amount of \$618.68 per month for the period of March 1, 1968 to February 28, 1978 with Albright Janitorial Service.

- (b) Consideration of Developmental Proposal criteria.

Mr. Lee indicated that in connection with the evaluation of proposals he believed that it was difficult for a judgment to be made based only on floor plans or small renderings and suggested that giving the architectural element a rating of thirty points skewed the review process. Ms. Blomquist indicated her agreement noting that one proposal contract had no information which suggested there was no plan. Mr. Lee requested that staff consider the weight given the different elements of the proposals. Mr. Hamilton indicated that it was a highly subjective matter with regard to weighing and that judgment was made on potential qualities based on those represented to the staff. Dr. Williams suggested that some weight should be given to architectural aspects but thought thirty points was excessive. Mr. Kaplan indicated he had

MATTERS NOT APPEARING ON AGENDA (continued)

voted for the Hargil proposal but believed that a decision should be made on what constituted living within the area. President Wexler thought that two blocks outside the project boundary, even two miles, was not much but additional points should be given to a firm such as Hargil that wants to help people in the area and had the support of WAPAC. Mr. Glickman noted his concern that the drawings looked good but that the completed building may not look anything like the illustration. He also was concerned that the contractor could do anything he wanted to with the rental rates once the property was conveyed. He noted that WAPAC's intention to protect any increase in rents would be helpful in protecting the community from excessive rents. President Wexler indicated that the architectural staff had influence over the final design and he suggested that staff place more emphasis on this. Dr. Williams noted from his experience the staff had a firm grip on architectural requirements.

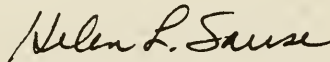
Mr. Richard Thomas, Assistant Agency Counsel, indicated that the Agency should set out specifically what is expected of the developer in its bid packet and the disposition agreement.

Mr. Hamilton indicated that measures proposed by Mr. Thomas are being done but noted that staff would review the criteria for evaluating developmental proposals.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Kaplan, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 7:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF MARCH 1977

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of March 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

and the following was absent:

Walter F. Kaplan

The President declared a quorum present.

Those present were Arnold G. Townsend and Benny Stewart, Western Addition Project Area Committee (WAPAC); Honorable Richard D. Hongisto, Sheriff of San Francisco; Cheryl Peterson, Ted Frazier, and Leland Meyerzove, San Francisco Coalition; Isabel Huey, Matatown Affirmative Action; Ken Broadway, David Jenkins, Jr., M. Delaney, E. L. Edwards, Jr., and Hortensia Ramirez, Phoenix Corporation; Sam S. Kaslik, Hugh Willer, R. D. Reich, Standard Oil Company; Pete G. Sans, D. Snyder, Craig Blackstone, Joseph Ay and George Cato, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the minutes of an Executive Meeting of February 22, 1977, the minutes of an Adjourned Executive Meeting of February 26, 1977, the Minutes of an Adjourned Executive Meeting of February 28, 1977, the minutes of a Regular Meeting of March 1, 1977, and the minutes of an Executive Meeting of March 1, 1977, as distributed by mail to the Members, be approved.

PUBLIC APPEARANCES

Public hearing to hear all persons interested in the matter of the revision of Redevelopment Agency criteria in connection with Environmental Impact Reports.

- (a) President Wexler opened the public hearing to hear all persons interested in the matter of the revision of Redevelopment Agency criteria in connection with Environmental Impact Reports. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

SPECIAL APPEARANCES (continued)

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3750-E, Yerba Buena Center Approved Redevelopment Project Area.

- (b) President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3750-E, Yerba Buena Center Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

President Wexler indicated that a week ago today the Agency made its selection of a unique and gifted individual to be the permanent Executive Director. He indicated that it was with great pride and optimism for the future that Mr. Hamilton had been selected. Mr. Hamilton thanked the Members and expressed appreciation for their confidence and indicated that he would do all he could to deserve that trust.

Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) He indicated that he had just returned from Washington, D.C. where he had attended a series of meetings with the Department of Housing and Urban Development (HUD) staff, among them being HUD General Counsel, Leigh Curry, in connection with loan provisions of the Housing and Community Development Act of 1974. A favorable interpretation of this Act would assist the Agency in developing the northern waterfront area. Mr. Hamilton also met with Senator Alan Cranston's staff regarding the "urgent needs" funds, in connection with the John Swett school and community facility, and Senator Cranston indicated that he would forward a recommendation to HUD Secretary, Patricia Harris, for its approval. Mr. Hamilton also met with Assistant Secretary of HUD, Chester McGuire, and Special Assistant Randy Kinder on matters relating to funding needs, particularly the processing and application cycle for community funding. Mr. Hamilton indicated that the cycle should be two to three years rather than one year, and the Secretary has indicated a willingness to work to this end. Secretary Harris appears to be a knowledgeable person who is not interested in the process but in the real product derived by the city. The Secretary appears willing to request that Congress provide a high level of funding, and it appears that the future is better for urban renewal.

UNFINISHED BUSINESS

- (a) Resolution No. 225-76 authorizing the Executive Director to execute an agreement with the San Francisco Coalition regarding affirmative action respecting Yerba Buena Center Approved Redevelopment Project Area.

This represents execution of an agreement with the San Francisco Coalition for one year at \$55,710 to coordinate community manpower efforts in the Yerba Buena Center area. The agreement is activated only when \$20 million in construction is imminent, and HUD has approved the agreement, as well as the Building Trades Council, the Human Rights Commission, and others.

Mr. Hamilton, in giving a brief history of the San Francisco Coalition, indicated that when bids were solicited for the central blocks facilities in Yerba Buena Center it was apparent that a different kind of affirmative action program was

UNFINISHED BUSINESS (continued)

needed because Yerba Buena Center was not a residential community. In working with Mr. William Becker of the Human Rights Commission, a mechanism was structured which would solicit the broadest possible ethnic participation of groups who were active in affirmative action. This resulted in many meetings and out of these groups was born the San Francisco Coalition consisting of 33 organizations presently involved in affirmative action. The Coalition represents a manpower resource to refer people into the job stream and to work with the unions developing apprentice programs. Mr. Hamilton indicated that there were many people present who were involved in a leadership capacity with the Coalition and suggested that their spokesperson, Mr. Ted Frazier, be invited to make comments.

Mr. Ted Frazier came forward and indicated that the agreement before the Members has been the result of many hours of meetings and discussions and although the amount of money involved does not meet the needs of the Coalition as far as implementing the program entirely, the Coalition will make certain each of the organizations involved will have equal sharing in whatever resources can be brought in. He indicated that a budget in excess of \$200,000 was needed to properly develop the necessary resources. Basically the money in the agreement before the Members will assist in establishing an office where the Coalition can maintain communication with member organizations and the community at large, both governmental and private agencies, and the Coalition will ultimately need a larger budget. The Coalition, however, will comply with all stipulations in the agreement for the money involved. Mr. Frazier indicated that the Coalition had city-wide concerns and staff would be provided through other resources of funds that will be involved in other areas of the city. The priority item is Yerba Buena Center and this agreement will establish the Coalition by giving it the opportunity to provide a mechanism to participate in the project. Mr. Frazier indicated that this was a comprehensive program, and that he had already reached an agreement with the San Francisco Building Trades Council and the Association of General Contractors of California on operation and relationships, and also that a San Francisco Plan was being developed on a city-wide basis which would be formally signed within the next two weeks. President Wexler thanked Mr. Frazier for his remarks.

In response to Mr. Glickman's inquiry, Mr. Frazier responded that the members of the Coalition Board of Directors as established in its by-laws were the representatives of the member organizations. Mr. Glickman then asked if the Board of Directors nominates the officers, and Mr. Frazier answered affirmatively. Mr. Frazier indicated that the executive committee consists of Asian Inc., WAPAC, EOC District 5, Bay Area Urban League, Coalition Manpower Organization, Committee Streetwork Center, TOOR, Youth for Service, Filipino Organization Committee, Filipino Action Coalition for Employee Opportunities for Oceanview, Potrero Hill, the Neighborhood House, Ladies' Auxiliary of the American GI Forum, and others. Mr. Glickman asked if all these were members of the executive committee of the Board of Directors, and Mr. Leland Meyerzove, Secretary of the Coalition, replied that they were, representing the elected officers plus additional persons to round out representation for ethnic areas.

Mr. Glickman asked if Asian Inc. had a representative on the executive committee and Mr. Meyerzove replied affirmatively, noting that approximately 15 or 16 persons served on the Executive Board, which is elected by the full membership. Mr. Frazier indicated the various officers of the Coalition. He noted that the list was being redone and would be available in the future.

UNFINISHED BUSINESS (continued)

Ms. Blomquist inquired about the involvement of Mr. James Beasley in the Coalition, and Mr. Frazier indicated he was no longer with the Coalition. President Wexler inquired if WAPAC supported the agreement, and Mr. Arnold Townsend came forward and answered affirmatively. However, he stressed his concern that the budget was inadequate. He indicated that there were two affirmative action officers in Western Addition A-2 who were in the field constantly, and he believed that two staff people for Yerba Buena Center was unrealistic because it was too large an area to cover effectively.

Mr. Lee inquired how the Coalition planned to choose its coordinating assistants. Mr. Frazier indicated that the Personnel Committee would select staff. It had hoped to have three people consisting of one black, one latino, and one asian but because of budgetary limits it will force the Coalition not to have representation from one of those ethnic groups. Mr. Meyerzove indicated that only two people were listed as staff and any amendment of the agreement would necessitate that it go back to HUD and he recommended adoption of the agreement now in its present form to permit the Coalition to get started. Mr. Meyerzove agreed that three people will be needed but the problem is with the budget and suggested that realistically \$500,000 would be needed in order to assure all communities full access to all jobs. Mr. Meyerzove expressed concern about the statement in the agreement which prohibits hiring of staff or expending funds until \$20 million of construction is started in the project. He indicated that the executive committee was willing to go along with this agreement but that he was obligated to point out some of the difficulties in the agreement which may necessitate that he return later with proposed alternatives. Mr. Glickman noted that the agreement stated that the Agency must only receive evidence of mortgage financing on \$20 million worth of construction before the Coalition could begin which was significantly different than the inference that \$20 million in construction must be started prior to implementation of affirmative action measures. Mr. Meyerzove acknowledged that distinction but was concerned about the Pacific Telephone and Telegraph Company building and two others that would start soon. He was hopeful that the Coalition could soon begin its work.

Dr. Williams expressed the belief that the Coalition needed the Agency funding to get started and he also noted that additional staff would be needed in the affirmative action officer position. Mr. Hamilton commented on the \$20 million triggering mechanism which relates to evidence of mortgage financing and noted that this gives the Coalition several months of lead time to organize.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

Ms. Isabel Huey of the Chinatown Affirmative Action came forward and indicated concern about Chinese employment opportunities in Yerba Buena Center. She indicated that there was a low level of Chinese in trades and crafts and she hoped that this could be raised through minority contracts and the affirmative action program. She supported the agreement to carry out these activities with an integrated staff involved in the hiring process.

- (b) Consideration of the Imperial Hotel, 140 Fourth Street, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that at the February 1, 1977 meeting representatives of the Sheriff's Department Women's Center of the City and County of San Francisco had submitted a proposal for limited interim use of the Imperial Hotel at

UNFINISHED BUSINESS (continued)

140 Fourth Street in the Yerba Buena Center project as a facility for the Work and Education Furlough Program of that Department. Cost estimates were needed for work necessary to modify the building to conform to City Codes. The corrective work which must be done by licensed contractors includes plumbing, electrical, and fire escape repair work for \$8,772. Labor is to be donated by the Phoenix Corporation in the amount of 916 hours. The developer of the site, Yerba Buena Center West, has indicated that from one to two years are needed to complete essential feasibility work in connection with the site; therefore, it appears that the Sheriff's Department Women's Center could utilize the hotel on an interim basis. Mr. Hamilton indicated that the matter before the Members was consideration of this limited interim use of the Imperial Hotel by the Sheriff's Department.

Honorable Richard D. Hongisto, Sheriff of the City and County of San Francisco, came forward and indicated that he understood that use of the building would be only temporary. Sheriff Hongisto indicated that he could make the money available to bring the building into conformance with City Codes for the proposed usage. He expressed the hope that the Department would have the opportunity to use the building for this valuable program. He noted that the work furlough program was new for women although there had been one for the men. The Department has been trying to help these women remain employed or to find employment so that they can live within the law. He stated that when the Agency needed the building back the Sheriff's Department would return it. About twenty women would be involved in the project who were incarcerated primarily for victimless crimes. He asked the Members' cooperation in this socially valuable program.

Ms. Shelley inquired if Sheriff Hongisto had an opportunity to communicate with the Board of Supervisors about his plans for the building. She noted that her inquiry resulted from criticism received by the Agency from the Board of Supervisors over the Agency's delay in tearing down the Imperial Hotel at the earliest possible opportunity. She thought it would be helpful if Sheriff Hongisto made the Board aware of the fact that the building was socially useful on an interim basis. Sheriff Hongisto indicated he had not had that opportunity but would do so if the Members wished. Mr. Glickman indicated that it was the intention of the Agency to tear down the building since development of Yerba Buena Center must proceed as soon as possible. He stressed the importance of this development to the welfare of the city. Mr. Glickman asked Sheriff Hongisto if he had the building for only six months or one year would it be feasible to the Department to do the necessary correctional work within this time, or if this would influence his decision on spending money knowing the building would have to be vacated. Sheriff Hongisto indicated that if the building were only to be used for six months he would be hesitant to spend the money, but he understood that the time would be closer to one or two years and therefore he would be willing to gamble on this possibility. He indicated that because of the nature of the program it would be simple to vacate the facilities and also that the program could be phased out quickly without difficulty. He indicated that the women were in custody only for a short time and if not released could be assigned into the jail again.

Dr. Williams indicated that Sheriff Hongisto had his support but expressed his concern was that once the Sheriff's Department occupied the building would he be willing to vacate it. He inquired if the Sheriff would be willing to sign an agreement that the building would be vacated. Sheriff Hongisto

UNFINISHED BUSINESS (continued)

indicated that he understood the concerns of the Members but that the problem could be handled easily since the Sheriff's Department controls the population of that program and there would be no problem in vacating with thirty days' notice. He indicated that he would be delighted to sign an agreement with these provisions.

Mr. Lee noted that the budget was for \$8,772 and expressed concern that there appeared to be no provision for contingencies. Sheriff Hongisto replied that he did not know at what point repair costs would stop being worthwhile but he believed he could stay within the budget since the estimates were realistic. President Wexler indicated that the Bureau of Building Inspection would also have to issue an occupancy permit indicating that the life safety requirements had been met. Sheriff Hongisto indicated that he was aware of this. President Wexler indicated he was strongly in favor of written contracts and had faith the Sheriff would keep his word.

MOTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the Sheriff's Department Women's Center be permitted to use the Imperial Hotel at 140 Fourth Street in the Yerba Buena Center as a facility for the Work and Education Furlough Program of that Department, dependent upon receipt of an occupancy permit from the Bureau of Building Inspection on an interim basis cancellable by a thirty-day notice.

NEW BUSINESS

- (a) Resolution No. 59-77 revising Redevelopment Agency objectives, criteria, and procedures for environmental evaluation of projects and preparation of environmental impact reports to incorporate 1976 amendments to the California Environmental Quality Act and State guidelines thereto.

This item was the subject of the public hearing just held and concerns amendment of Agency procedures for preparing and reviewing environmental impact reports to conform with 1976 revisions in the California Environmental Quality Act and guidelines thereto. Confirmation is necessary prior to preparation of any new redevelopment plans or modification of existing plans. Ms. Blomquist inquired if any provisions were contained in the environmental impact report for energy consumption, and Mr. Redmond Kernan, Deputy Executive Director for Planning and Development, replied affirmatively.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 58-77 approving the disposition price and authorizing execution of agreement for disposition in connection with sale of Parcel 3750-E; authorizing the Executive Director to enter into an owner participation agreement for Lot 75 in Block 3750, Yerba Buena Center Approved Redevelopment Project Area.

This was also the subject of a public hearing and concerns disposition of Parcel 3750-E consisting of 2,231 square feet to Pete G. Sans and Helen M. Sans and the Standard Oil of California, as lessee, for \$8,925. Also involved is the execution of an owner participant agreement with Mr. and Mrs. Sans and Standard Oil, as lessee, for replacement of an existing service station with a new facility at an estimated cost of \$180,000. Construction is anticipated to begin in April 1977. Dr. Williams and Mr. Glickman inquired if the station would look exactly as the wall renderings depicted, and Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, indicated that the plans have been approved and the development will proceed.

NEW BUSINESS (continued)

as represented in the architect's sketch. He also indicated financing would be available April 1, 1977 and construction would start within twenty days.

Mr. Sam Kaslik of Standard Oil came forward and indicated that it was the intention of the company to duplicate the station as shown in the design. He indicated that this was a station designed especially for the site. There will be live turf and no artificial material. President Wexler asked Mr. Ong, Chief of the Architecture Division, if he were satisfied with the design and he replied affirmatively.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that the meeting be recessed for fifteen minutes, after which time the regular meeting would be reconvened. The meeting adjourned at 5:20 p.m.

The regular meeting of the San Francisco Redevelopment Agency reconvened at 5:30 p.m. All Members of the Agency, certain staff, press representatives, and interested citizens were present.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration of authorization for the Executive Director to execute a consultant contract.

Mr. Hamilton indicated that authorization is requested to execute a consultant contract with Mr. Robert Litke for a three-weeks' period at a base fee of \$200 per day not to exceed \$3,600, plus travel expenses. The purpose of the contract is to provide services relating to business development and marketing analysis.

MOTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that a contract for consultant services be executed with Mr. Robert Litke for a period of three weeks at a basic fee cost not to exceed \$3,600, plus payment for travel and related expenses.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:35 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

5111
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF MARCH 1977

The Members of the Redevelopment Agency of the City and County of San Francisco met at a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of March 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

and the following was absent:

Walter F. Kaplan

The President declared a quorum present.

Also present were Arnold G. Townsend and Gene Stancil; Owen Hock and Mimi Boardman, Pene, Garvin, and Hock, Inc.; Mrs. Bland Platt, Landmarks Board; Martha Senger, John Campbell, Ed Marshall and Lee Kiefer, Goodman Group; Norman Smith, Black Business Associates; and Charles Walker, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Shelley and unanimously carried that the minutes of a Regular Meeting of March 8, 1977 and the minutes of an Executive Meeting of March 8, 1977, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

- (a) President Wexler indicated that Mr. Charles Walker had requested an opportunity to appear before the Members regarding affirmative action on a contract in Hunters Point.

Mr. Walker came forward and indicated that the firm of Goldrich & Kest had alleged that the community had harassed them on their construction contract work. Mr. Walker indicated that the firm had not had a good affirmative action program for involving subcontractors. He alleged that the low bidder for the plumbing work, Broadway Plumbing Co., had been in the community for 27 years and was told they were to be awarded the job; however, Goldrich & Kest awarded the work to a firm in Petaluma which took \$3,500 less to get the contract. He noted that Goldrich & Kest has hired people from the community but that he

SPECIAL APPEARANCES (continued)

did not believe they had followed this practice in all crafts and that 25 percent of the community participation is not being adhered to. Mr. Walker indicated his belief that Goldrich & Kest had created trouble in the community and he asked that the matter be investigated. He also expressed concern that there were unsafe conditions on the job. Mr. Hamilton stated that staff would investigate the matter.

- (b) President Wexler Indicated that Dr. Williams had an announcement to make on a pleasurable event which would take place tomorrow. Dr. Williams indicated that Mr. Hamilton would be honored at a reception on March 16, 1977 from 5 to 7 p.m. at the New Liberation United Presbyterian Church at Turk and Divisadero Streets, of which Dr. Williams is the pastor. Mayor George Moscone will be present to officially swear in Mr. Hamilton as Executive Director. Dr. Williams indicated that Mr. Hamilton had many friends in business, labor and politics, as well as in the city and community that all were being invited to join in this opportunity to welcome Mr. Hamilton to his new position.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) The resolution introduced by Supervisor Quentin L. Kopp calling for abolition of the Agency which was originally scheduled for a hearing on March 15, 1977 by the Planning, Housing and Development Committee of the Board of Supervisors was put over until April 19, 1977. Another ordinance introduced by Supervisor Dianne Feinstein which proposed studying consolidation of the Agency and the Housing Authority was also put over to the same date.
- (b) Mr. Hamilton indicated that the Agency is working with the City Planning Commission staff to develop a memorandum of agreement in connection with the northeastern waterfront which was recently approved by the Board of Supervisors for a survey and planning area. A citizens' participation group is being formed to assist in the planning process.
- (c) The Board of Supervisors approved in principle the issuance of revenue lease bonds in connection with construction of the Performing Arts Center garage, in Western Addition A-2, with the condition that such bonds will not be issued until the construction contract for the center is executed.

REPORT OF KEY STAFF MEMBERS

- (a) Presentation of India Basin marketing slide show.

President Wexler indicated that Mr. Quintin McMahon, Director of Real Estate, Marketing and Business Development, would comment on the marketing program for India Basin. Mr. McMahon came forward and indicated that a slide show had been prepared as a marketing and sales tool by the advertising firm of Pinne, Garvin and Hock, Inc. It is primarily designed to be presented to the real estate brokerage community and also for public relations purposes in promoting sales in

REPORT OF KEY STAFF MEMBERS (continued)

the project. Mr. McMahon indicated that Mr. Richard Marshall, Business Development Specialist, would show the film and mentioned that an article regarding Mr. Marshall had appeared in the Daily Commercial News complimenting him on his work. Mr. Marshall came forward and introduced Ms. Mimi Boardman and Mr. Owen Hock of Pinne, Garvin, and Hock, Inc., the advertising agency which had put the slide show together. Mr. Marshall then presented the India Basin show which illustrates the desirability of the project particularly because of its location in close proximity to all forms of transportation and the availability of large parcels of land for commercial development within the city.

NEW BUSINESS

- (a) Resolution No. 60-77 authorizing the expenditure of funds for advertising India Basin Industrial Park, an approved redevelopment project area.
- (b) Resolution No. 61-77 approving and authorizing the Executive Director to execute an agreement for services with Pinne, Garvin, and Hock, Inc., India Basin Industrial Park Approved Redevelopment Project area.

Mr. Hamilton indicated that both these resolutions related to the marketing of land in India Basin. The first seeks authorization for expenditure of \$86,000 for advertising costs of the marketing program developed by Pinne, Garvin, and Hock, Inc. The firm has designed the program to reach three basic markets which are: (1) the local San Francisco-based industrial interests; (2) the midwest-northeastern industrial corridor from the Great Lakes to the Atlantic, and (3) the Japanese industrial market, plus the general Pacific Basin trade. The marketing plan involves a multimedia approach.

Ms. Blomquist noted that the Agency was negotiating with the United States Post Office and inquired how much land was involved in the proposed use, and Mr. Hamilton replied it was approximately 30 acres, out of the net salable land total of 83 acres. Ms. Blomquist asked if the \$86,000 advertising budget would then be utilized to market the remaining 53 acres, and Mr. Marshall itemized allocation of the project land noting that there are 126 acres in the project of which 35 acres were utilized by streets. The post office proposal would necessitate development of less streets and result in adding about 5 acres to the amount of salable land. He pointed out parcels on the wall map where various industries had purchased land and were already located, including the Morgan Equipment which has purchased 4½ acres, the McCormick Morgan with 64,000 square feet, DeNarde Construction with 18,000 square feet, and the Trammel Crow interest with 3.8 acres. He noted that other acreage was in a precommitted category including an additional 2 acres the Morgan Equipment firm has requested and the .230 acres requested by the LaFiell Corporation for an extension of its existing building. There have been many inquiries from various companies such as Western Electric for 4 acres, Homestead Ravioli for 1¼ acre, and another for development of 20,000 square feet for development. He noted that if the post office transaction was completed there would be approximately 32 acres to market. Ms. Blomquist believed that judging from the map, the post office appeared to have a more advantageous location because it was toward the bay front, and Mr. Marshall indicated that proximity to the Bay did not present an advantage because the parcel had 60-foot deep mud and presented a more difficult building condition.

In response to Mr. Glickman's inquiry Mr. Marshall indicated that the 32 acres left to market were the most difficult to sell since their 100 foot depth

NEW BUSINESS (continued)

made them less desirable to develop for industrial use. Mr. Lee inquired about the schedule of the post office negotiations and Mr. Marshall responded that the regional post office is negotiating on behalf of the national organization and it is anticipated that these will conclude shortly since the regional staff will have to make its recommendation on a site in June. One main consideration has been the amount of acreage needed. It is expected that the post office will employ 4,100 people and have a \$110 million payroll.

Mr. Marshall noted that another benefit was a savings of \$1.5 million which has been allocated for construction of streets within the parcel. He reiterated that the final decision on the \$40 million development is to be made by June or July and noted that the Members will be asked to designate the post office as a developer prior to the regional office meeting with the national board.

President Wexler inquired about the job ratio per acre and Mr. Marshall indicated that at 4,100 jobs for the 30 to 32 acre parcel providing over 100 people per acre, which was the highest density that could be expected in the area.

Mr. Lee inquired if the \$86,000 would be for advertising the remaining 30 acres and Mr. Marshall answered affirmatively but indicated that there was no assurance that the proposed sales mentioned would be completed. He added that if the post office sale is not successfully consummated, then there could be 62 acres to sell. He also noted that the remaining acreage was smaller parcels and less salable land.

President Wexler inquired if the proposals all go through would there be a need to spend all of the advertising budget because of difficulty in disposing of them. Mr. Marshall answered affirmatively noting that the expenditure would be needed to promote development of the remaining portion; however, he indicated that the advertising program is flexible so that if the Agency ended up selling the parcels, it could terminate the advertising program.

Ms. Shelley inquired if the negotiations with the post office were not successfully completed, would the \$86,000 advertising budget be sufficient, and Mr. Marshall indicated that the advertising program is designed to sell project land not based on the quantity of parcels available. It is to be promoted on a local basis, national basis and for the Japanese market. Mr. Hamilton indicated that the money related to achieving maximum media exposure.

Dr. Williams commented that it appeared the post office would be an exciting project and asked how committed the Agency was to proceeding with the development. Mr. Marshall commented that Hunters Point community needed the jobs the post office could furnish. Mr. Hamilton indicated that another aspect of the post office location was the overriding need to provide security in the area and having a federal facility would bring assurance of security as well as providing jobs. In response to Dr. Williams' concerns about jobs, Mr. Hamilton indicated he had met with Postmaster Lim P. Lee and was informed that the development would be a general mail facility which would consolidate the Rincon Annex and the facility from the Peninsula and thus prevent the payroll and jobs from leaving San Francisco. Mr. Hamilton indicated that Postmaster Lee had indicated that wherever possible local people would be hired. He also noted that there are training programs so

NEW BUSINESS (continued)

high school students can receive special job preparation tutoring. Dr. Williams believed this was encouraging and that the Hunters Point community should benefit. Mr. Marshall stressed that the Agency was trying to reach industries that would provide as many jobs per area as possible.

Mr. Glickman inquired about the attempt to decrease the acreage needed by the post office and Mr. Marshall responded that originally the post office had wanted 40 to 50 acres and staff had been working to decrease this demand and the proposal was now down to 30 or 32 acres. President Wexler indicated that the jobs remain the same regardless of the acreage and cutting down on the post office land permits an opportunity to sell more land.

Mr. Glickman inquired if the Agency had any prior experience with Pinne, Garvin, and Hock, Inc. and Mr. Marshall replied affirmatively indicating that the Agency had paid the firm \$35,000 the previous year and an additional \$26,000 was spent for advertising placed by the firm. He indicated that advertising makes it possible for sales leads to come in and noted that over 200 inquiries were received from the eastern area regarding India Basin and these were followed up.

Ms. Blomquist quoted a paragraph from the advertising plan which stated, "Because of objectives for an industry profile at the project, most of these proposals cannot be accepted as a means of selling off smaller plots.", and Mr. McMahon responded that the remaining parcels are the smallest and the most difficult to market. Mr. Marshall indicated that the requirement of a minimum of twenty employees per acre makes the smaller parcels difficult to sell.

Mr. Charles Walker came forward again and inquired why the community had not been notified that this matter was to be considered. Mr. Hamilton indicated that the informational matters had been provided to the community already. Mr. Walker stressed his belief that the JHC representative should be present and Mr. Hamilton responded they were aware the item was to be calendared. Dr. Williams indicated that he did not want to delay the matter but agreed with the concept expressed by Mr. Walker that Hunters Point people should be present to say for themselves how they felt about the item. Mr. Hamilton indicated that since the JHC had elected not to be present, the Agency could not insist that they appear.

A member of the Hunters Point community came forward and indicated that she had been present at a meeting of the Joint Housing Committee and the proposed contract had not been discussed. She requested that nothing be acted upon today relating to the post office because she believed Hunters Point people would not be hired by the post office and the Joint Housing should be present to discuss the matter. Mr. Hamilton indicated that an agenda was sent to the JHC and if they request holding over an item for further information, this is done, and in the absence of any communication, the matter had been calendared.

In response to Mr. Glickman's inquiry Mr. Marshall indicated that the \$86,000 advertising budget had not been mentioned or explained at the Joint Housing Committee meeting and that the discussion was limited to viewing the slide show and development proposals for India Basin. The advertising program was not part of that meeting.

W BUSINESS (continued)

Mr. Hamilton again noted that the JHC had the agenda but had not commented on the proposed advertising program but since it furthered the objectives of selling project land, he believed the JHC favored such matters. He noted that it was important to distinguish between a contract and the \$86,000 advertising budget. Mr. Hamilton indicated that a one week delay would not be detrimental if further exposure was requested.

President Wexler indicated that if there was any question, the Members may wish to hold the item over for one week. It was his opinion that the concerns expressed related more to who would be awarded the parcels than authorization of an advertising budget. He stressed that the item has no bearing on who gets the parcels but rather is an attempt to solicit more bidders for the parcels. Dr. Williams suggested that the matter be held over for one week because he wished assurance that the community had no objections and invited the Joint Housing Committee to attend and participate. Ms. Blomquist expressed concern about spending \$86,000 advertising 32 acres. Mr. Hamilton indicated there was no problem in holding over the item and that he would advise the Joint Housing Committee who would represent the community on the matter.

- (b) Resolution No. 61-77 approving and authorizing the Executive Director to execute an agreement for services with Pinne, Garvin, and Hock, Inc., India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler indicated that items 9a and 9b would be held over one week.

- (c) Consideration of public offering to preserve the Goodman Building, 1117 Geary Street, Western Addition Approved Redevelopment Project Area A-2.

This concerns a public offering for the Goodman Building at 1117 Geary Street in the Western Addition Area A-2 project, and the Myrtle Street flats at a Department of Housing and Urban Development (HUD) concurred-in price of \$196,000. The offering is intended to seek proposals for rehabilitation and preservation of the Goodman Building and flats for combined commercial and residential use. The offering closes within 60 days on May 16, 1977 and will be advertised and notices will be sent to a mailing list of 1,300 names. Mr. Hamilton indicated that the offering reflects the Board of Supervisors' urging that every effort be made to preserve the building. He added that the Agency has negotiated with both Mr. Mervyn Goodman and the Goodman Group.

Correspondence has been received from both but there has been nothing in the nature of an acceptable offer. The offering also relates to the abatement proceedings on the continued occupancy of the building before the court of Judge John Benson. The Agency will again appear before Judge Benson on March 23, 1977 to testify as to what steps have been taken to permanently renovate or vacate the building. The offering will help to show that it has explored every possible means of rehabilitating the structure. Mr. Hamilton stressed that neither Mr. Goodman nor the Goodman Group are precluded from submitting a proposal. The Myrtle Street flats are to be included in the renovation unless the developer finds it is economically infeasible to do so and in that event the Agency would bear the cost of having them demolished. President Wexler inquired how many people would receive word of the offering, and Mr. Hamilton replied that there would be notices in five newspapers and the Agency's mailing list of 1,300 would be notified.

NEW BUSINESS (continued)

Mrs. Martha Senger of the Goodman Group came forward and indicated that she had been unable to respond to the offer because of the emotional strain resulting from four years of struggle of the tenants to preserve the building as housing and as a unique cultural facility. She indicated that the group was given the impossible task of preparing the offering less than a month ago and that the Agency should have invited them in for some discussion after an admittedly rather sketchy proposal was submitted to meet the February 10, 1977 deadline. The next information she had was word of the public offering. She alleged that both she and Mr. Robert Marquis, who had prepared the Marquis Study on the building, had been rudely received when they presented the study. She indicated that Mr. Gardner Mein, architect, had shown an interest in helping the group. Even though she believed that the Agency had put the stamp of death on the Goodman Building she intended to work out a feasible program to save the building and that the Marquis Study had shown the program is workable. She indicated that she had called last Friday to see when the group would be asked to come in and had been advised of the public offering. This was the only comment from the Agency to the Group other than a copy of a letter sent to her by Mr. Hamilton stating that there had been no progress made in the past three years and that her proposal was unacceptable. She again deplored the fact that no effort had been made to discuss the proposal with the Group. Mrs. Senger indicated that the Group was an example which would show how people could stand up to save a building, and that her project was innovative and tremendous with an economically feasible solution. She indicated that she wished to update the offer to \$117,500 which was very little short of the Agency asking price. She indicated that she had talked to Mrs. Mary Mitchell Wilson in Sacramento this morning and was told that the second stage of a historic preservation proposal had been reached, and the State of California anticipated receiving \$1.5 Million. The Goodman Group had already been granted \$15,000 and could expect to receive \$50,000 or \$100,000. She also noted that she had talked with a representative of the Mayor's office yesterday and he had suggested a meeting to see what ways the Marks/Foran Rehabilitation bill could be used to fund rehabilitation of the building but she needed more time to do this. She had asked Mr. Mel Ury, Project Director, for an additional week prior to public offering of the building but this had been refused. She added that her program combined rehabilitation housing and commercial uses and is economically feasible and that she urged that she be given 60 days to work with the staff to get this underway. She asked for this time as a final opportunity to develop the building for use as low income housing and as an art facility. Mrs. Senger indicated that the Art Commission was upset when it heard about the public offering.

Mr. Hamilton indicated that the letter to which Mrs. Senger was referring was a copy of one sent to attorney Kim R. Clark, dated February 14, 1977, indicating that the Agency had delayed for almost a year in an effort to resolve the problem and to await the Marquis Report which was completed in December. It stated that since the Goodman Group had both considerable time and opportunity to make an acceptable proposal and had failed to do so, the Agency now intended to make a public offering very shortly to invite proposals to preserve and rehabilitate the building. Mr. Hamilton questioned Mr. Senger's statement that the offering came as a surprise and indicated that the Goodman Group was free to respond to that offering.

Mr. Hamilton also noted that Mr. Gardner Mein had met with him and also written a letter indicating that the proposals of the Goodman Group were infeasible.

The Mayor, through Mr. Carl Williams of the Office of Community Development, had also concurred in the offering after being assured that the Goodman Group and Mervyn Goodman would not be precluded from submitting proposals. Mr. Hamilton indicated that he had also spoken with Mr. Ray Taliaferro of the Art Commission and he advised that until the Agency determines the question of disposition of the building, the Art Commission would not make any commitments on the Goodman Building.

In response to President Wexler's inquiry Mr. Hamilton indicated that the public offering in no way predetermined the developer that would be awarded the disposition of the building. He stressed that the Members retain the right to award the agreement to any qualified developer and that proposals are on a fixed price basis; therefore the offering is not competitive. He also noted that a developer could retain the present tenants.

Mr. Arnold Townsend of WAPAC came forward and indicated dissatisfaction because he believed that WAPAC has not been sufficiently involved in matters concerning the Van Ness Avenue Corridor. He indicated that WAPAC has never met with the Agency on the Goodman Building and stressed the Committee's concern with keeping low income housing for everyone in the community. He noted that he had not been provided a copy of the Marquis Report on the Goodman Building although Mr. Gene Suttle, Area Director for Western Addition A-2, had told WAPAC the Marquis Report was available at the site office if WAPAC wished to review it. Mr. Townsend expressed concern that while WAPAC was supposed to represent all of the project people there had been no contact made by the Goodman Group and urged that Agency staff apprise WAPAC of such matters.

In responding to Mr. Townsend's remarks, Mr. Hamilton concurred that WAPAC should be informed on all aspects of the project but as with any other item on the agenda, if WAPAC believes it is insufficiently informed then it can determine this when it receives the tentative agenda and seek any information needed. Mr. Townsend indicated sufficient information had not been given to WAPAC.

Ms. Shelley asked Mr. Townsend if he believed one week would give him sufficient time to evaluate the matter and he indicated that such a delay would help.

Mr. Hamilton noted that the Agency had delayed as long as was possible and that it was only eight days before staff again had to appear before Judge Benson and report on the progress made to achieve a final resolution of the Goodman Building. Evidence that every effort has not been made to develop a final solution could result in the Judge ordering the building vacated.

Mr. Ed Marshall, representing the Neighborhood Foundation, came forward and indicated his support for the Goodman Group. He believed the tenants in the building were the most important consideration. He asked for an extension of time before the offering is made and also consideration that the building be used for low-income rentals. President Wexler assured Mr. Marshall that the Members had studied the Marquis Report and there was a desire on the part of the Agency to preserve and rehabilitate the Goodman Building and the Myrtle Street flats if economically feasible to do so. Mr. Marshall indicated that he was not a resident of the A-2 community but was concerned about the many boarded up buildings and the vacant land in the area.

W BUSINESS (continued)

Mrs. Bland Platt of the Landmarks Advisory Board for the Department of City Planning, came forward and indicated her concern about the offering because she believed that it may not adequately incorporate Federal legislation relative to preservation. Mr. Hamilton indicated that the legal division had reviewed the offering and had determined that it adequately addressed such matters. Mrs. Platt again indicated concern that the offering meet the Landmarks Advisory Board standards and requirements. Mr. Hamilton suggested that the Members could rely on the judgment of its legal counsel. In reply to President Wexler's question, Mrs. Platt indicated she had not seen the offering. President Wexler suggested that Mrs. Platt discuss her specific concerns about the offering with Agency General Counsel Tilden H. Edwards. She indicated that she understood the time limit within which the Agency is working and because of that she would not want it to be delayed but it had come as a surprise. She also suggested that since the Goodman Building was handled at the Central Office instead of at the Western Addition A-2 site office the customary community review had not taken place. She indicated that Mr. Suttle was very conscientious about reviewing items with her. Mr. Hamilton concurred noting that staff responsible for the Goodman Building should review issues concerning it with WAPAC and also that WAPAC should insist that the Goodman Group and Mr. Goodman deal with WAPAC. In response to Mrs. Platt's inquiry Mr. Hamilton indicated that if no offer was received, the Members would have to decide what course of action should be taken. It would also depend on Judge Benson because he had permitted only a limited occupancy of the building. Mrs. Platt asked if the Marquis Report had been sent to Judge Benson but Mr. Hamilton indicated that the study did not concern the issue of occupancy which is being considered by Judge Benson. Mrs. Platt inquired if Agency staff would help the Goodman Group put together a proposal utilizing the recommendations of the Marquis Report and Mr. Hamilton replied that staff had been working with the group for some time and that Mr. Melvin Ury, Project Director, would continue to be available.

Ms. Lee Kiefer representing the Potrero Hill artists came forward and opposed the public offering because she supported the goals of artists in the Goodman Building. She indicated that artists are unable to rent suitable spaces and she has many calls each day for studio space such as the Goodman Building provides. She indicated that the true artists in the city were not organized. President Wexler indicated that the offering did not preclude use of the building by artists, but Ms. Kiefer indicated that the artists in the Goodman Building had only had three days' notice that such an offering was to be made.

Ms. Blomquist indicated that the attorney for the Goodman Group had been informed February 14, 1977 that an offering would be made for the building. Ms. Kiefer alleged that the artists did not have a voice, and Dr. Williams responded that the Goodman Group had had full access to the Agency meetings and had also had not just three days' notice but three years' notice. He urged that Ms. Kiefer not draw erroneous conclusions about the Members' efforts to work with the artists. Dr. Williams indicated that, as an example of the efforts the Members have expanded, a number of people had spoken with him about the matter. Ms. Kiefer urged that the Agency work with the Goodman Group in the interests of the artists' community.

W BUSINESS (continued)

Mr. Glickman inquired whether a delay of one week would have an adverse effect on Judge Benson's decision in advising the Agency to vacate the premises immediately, and Mr. Hamilton indicated that there was a good chance this would be the effect. President Wexler indicated this matter has been under consideration for a long time and the Members have clearly expressed their preference for renovation of the building and the Myrtle Street flats and have looked for ways to do so as expressed in the offering. He expressed concern that by waiting another week could endanger the Agency's ability to keep Judge Benson from evicting the building's tenants.

MOTION: It was moved by Ms. Blomquist, seconded by Mr. Lee and unanimously carried that a public offering be made for preservation of the Goodman Building at 1117 Geary Street in Western Addition A-2.

- (d) Consideration of ratification of payment of fire insurance premium on buildings scheduled for rehabilitation, Western Addition Approved Redevelopment Project Area A-2.

This item concerns ratification for cost of insuring 45 buildings to be rehabilitated at a total premium cost of \$19,255, under the California Fair Plan, Inc. and the Reserve Insurance Company. It is also recommended that fourteen other buildings scheduled for rehabilitation be placed with these companies when the present policies on these structures expire April 16, 1977.

MOTION: It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that payment of fire insurance premium in the amount of \$19,255 to the California Fair Plan, Inc. and the Reserve Insurance Company for buildings scheduled for rehabilitation in Western Addition Approved Redevelopment Project Area A-2 be ratified and authorization for fourteen additional buildings to be covered by these companies when the present policies expire April 16, 1977.

TERS NOT APPEARING ON AGENDA

- (a) Resolution No. 55-77 urging the developer of Embarcadero Center in the Golden Gateway Redevelopment Project Area to reevaluate the proposed height limit of the office tower to be built upon Block 233.

This relates to the desire of the Members to issue a policy statement concerning the height limitation for the office tower to be constructed in Block 233 of the Golden Gateway project. Dr. Williams inquired about the height limits for the structure and Mr. Hamilton responded that the 60-story maximum height was established by the Redevelopment Plan but would actually be determined by the economic feasibility.

Mr. Lee noted that the proposed resolution requested the developer to consider a building which is a "height significantly lower" and inquired how many stories were intended. Ms. Blomquist indicated that it was intended to express the Members' concern not set a restrictive height; however, if any Member wished to set the height this could be done. President Wexler indicated that he hoped the developer would respond positively and that a lower height was a desirable goal but one which he believed would be determined by the economics.

MINUTES NOT APPEARING ON AGENDA (continued)

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

President Wexler indicated that Resolution No. 55-77 was to be attached and incorporated in full as part of these minutes.

ADJOURNMENT

It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 6:30 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

RESOLUTION NO. 55-77
(Adopted March 15, 1977)

URGING THE DEVELOPER OF EMBARCADERO CENTER IN
THE GOLDEN GATEWAY REDEVELOPMENT PROJECT AREA TO
RE-EVALUATE THE PROPOSED HEIGHT LIMIT OF THE
OFFICE TOWER TO BE BUILT UPON BLOCK 233

WHEREAS, it is the desire of the San Francisco Redevelopment Agency to achieve the maximum development of Block 233, consistent with the objectives of planning and developmental excellence while preserving maximum environmental aspects; and

WHEREAS, the Redevelopment Plan for the Golden Gateway project area permits development of an office tower in a magnitude of sixty stories; and

WHEREAS, the San Francisco Redevelopment Agency strongly urges the developer to make an additional contribution to the City of San Francisco by constructing an office tower of less than the maximum height allowed; now therefore be it

RESOLVED, that the San Francisco Redevelopment Agency requests the Embarcadero Center in the development of Block 233 of the Golden Gateway to respond to the environmental needs of the Golden Gateway through construction of an office structure on that site at a height significantly lower than that permitted by the Redevelopment Plan; and

BE IT FURTHER RESOLVED by the San Francisco Redevelopment Agency that the Executive Director present a copy of this resolution to the developer with a request for early consideration and response to this request.

APPROVED AS TO FORM;



Tilden H. Edwards
Agency General Counsel

177
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF MARCH 1977

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of March 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

and the following was absent:

Walter F. Kaplan

The President declared a quorum present.

Also present were Arnold Townsend, Western Addition Project Area Committee (WAPAC); and Teall Henderson, San Francisco Coalition and WAPAC.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Donald Canter, San Francisco Examiner; Dan Borsuk, San Francisco Progress; Marilyn Baker, KPIX TV Channel 5; and Jack Bates, KRON TV Channel 4.

President Wexler indicated that before starting the regular business of the meeting he had an announcement to make on behalf of the Agency, as follows:

Earlier today the United States Attorney filed and returned indictments against two former Redevelopment Agency staff members, four current members of the Agency staff, two moving companies which have done business with the Agency, and five employees of those moving companies. Upon learning of the formal indictments, Agency Director Wilbur Hamilton ordered the immediate suspension without pay of the four indicted staff members and the curtailment of any business relations with the moving companies involved until these charges are adjudicated by a court of law. These actions have the full support of the Agency Members and Mayor Moscone. Under our system of law, an indictment represents a formal charge being brought by the prosecution. The ultimate determination of the guilt or innocence of the indicted individuals can only be made before a court of law.

President Wexler indicated that the announcement today of these indictments did not come as a surprise to the Agency Members or to Mr. Hamilton. It came as no surprise not because they had known about it all along and had allowed it to happen, but because they had worked closely with the U.S. Attorney's office in bringing its investigation to this point.

It is critical that the people of San Francisco know that it is the determined policy of this Commission, of its Executive Director, and of the Mayor that the Agency work diligently with law enforcement officials to determine anyone who may be involved in criminal activity within the Agency and to bring them before the bench of justice. Furthermore, it is essential that the people know that Mr. Hamilton has already undertaken a review of procedures within the Agency to determine if changes in the Agency's methodology can further help discourage or expose illegal activities in the future. The Agency will, however, continue to be aware of the fact that forced relocation is a traumatic experience for most businesses and the intention is to keep it as compassionate and as fair as possible. Should those persons indicted today be found guilty of crimes dating back to 1971, the evidence uncovered by the investigation will help this Agency to know what changes can prevent a reoccurrence in the future. If it is determined that any Agency funds were misappropriated, every effort will be made to recover those funds.

President indicated that the Agency had worked closely with the U.S. Attorney's office on this matter and shall continue to work with that office as they help the Agency to assure the people of San Francisco that their Redevelopment Agency is doing the people's business with the highest degree of dedication and honesty. There cannot, of course, be any comment on any specifics of the case as it is before the court at this time.

President Wexler then requested that Mr. Hamilton make a report at this time.

Mr. Hamilton indicated that since receiving direct knowledge of the investigation of the activities which were the subject of today's indictment announcements, he had personally assured himself that the highest level of cooperation with the authorities was being extended. The Agency has provided information, responded to questions and given whatever time necessary to bring these matters to a rapid conclusion. Simultaneous with the investigation, considerable attention has been given to the examination of administrative practices and procedures and certain changes have already been proposed and others will shortly be implemented. These are, as follows:

1. Reorganization of Residents and Business Services

This reorganization with principal focus on business relocation activity would place the supervision and approval of business and moving claims in Central Office and at a more responsible level.

2. Periodic Methods and Procedures Audit

It is the Agency's intention to retain outside, tripartite assistance to conduct a methods and procedures audit as directed by the Agency to assure that new procedures are being followed and that irregularities do not recur.

3. Moving Bids

Moving contractors will be required to submit moving bids in person and to persons of higher authority. This will move authority for certifying such bids to a level above field operatives and will provide more objective reviews.

4. Rotation of Relocation Staff

Business relocation staff will be routinely rotated to reduce the possibility of inappropriate handling of moving claims by an individual.

President Wexler indicated that there would now be a short period for questions from the press.

Ms Marilyn Baker of KPIX TV Channel 5 indicated that U.S. Attorney James L. Browning had stated that his investigations will continue and possibly go higher and she inquired if Mr. Hamilton was aware of this. Mr. Hamilton replied that he had asked the same question of Attorney Browning and he had responded that there was no indications that the matter would go higher; however, there would be full cooperation by the Agency in any investigations. Ms. Baker asked if procedurally it was possible for those indicted to carry out illegal activities without the knowledge of their supervisors and Mr. Hamilton replied affirmatively. President Wexler stressed that the U.S. Attorney's office had assured him that at this time there was no information on which to base suspicion of anyone in supervisorial positions. He noted that the Agency has cooperated and will continue to cooperate in providing the U. Attorney with information. Ms. Baker inquired if Mr. Hamilton's predecessor had aided the U.S. Attorney's Office, and Mr. Hamilton responded that he had met with the U.S. Attorney and assumed that he had.

NEW BUSINESS

- (a) Resolution No. 54-77 approving and authorizing the Executive Director to execute an interdepartmental work order with the San Francisco Department of Public Works for traffic pavement markings in connection with the Hunters Point Redevelopment Project for the fiscal year beginning July 1, 1977.

This relates to a work order for \$1,500 with the City Bureau of Building Repair for pavement and curb markings required for completed public streets in Hunters Point.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 62-77 approving and authorizing the Executive Director to execute an interdepartmental work order with the San Francisco Department of Public Works for traffic signs in connection with the Hunters Point Redevelopment Project for the fiscal year beginning July 1, 1977.

This concerns a \$3,000 work order with the City Bureau of Engineering for signs in the Hunters Point project, including permanent and interim regulatory and warning signs and street name signs.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (c) Resolution No. 63-77 awarding Demolition and Site Clearance Contract No. 5, Stockton/Sacramento, to Thomas D. Eychner Company.

This represents award of Demolition and Site Clearance Contract No. 5 in the Stockton/Sacramento project to the low bidder, Thomas D. Eychner Company, for \$12,180 to clear the remaining two vacant buildings on the site. This clears the site for development of 175 units of low and moderate-priced housing to be constructed over a public parking garage with commercial and office space. In reply to Mr. Hamilton's inquiry, Agency General Counsel Tilden H. Edwards replied that the litigation brought by residents of 840 Powell Street is still on appeal and the legal division is presently preparing a reply brief.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (d) Consideration of payment of annual National Association of Housing and Redevelopment Officials (NAHRO) dues.

This concerns payment of the annual NAHRO dues of \$1,120. The formula for calculation of dues is based on population size of the city in which the Agency has jurisdiction which would normally make San Francisco's dues \$1,500 but since the Agency has two or more active NAHRO members, a 20 percent discount is allowed by NAHRO, making the amount \$1,120.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the annual payment of the National Association of Housing and Redevelopment Officials (NAHRO) dues be made in the amount of \$1,120.

President Wexler indicated that he wanted the staff to know that the Members are aware of the overall excellence and dedication, as well as integrity, of the great majority of the staff. He noted that they were not in a position to make a determination on the individuals who have been indicted, since only the courts can make this determination. He stressed that the Members have seen the excellent hard work of the staff and that the staff has their full support. He also indicated that the U.S. Attorney's office would continue to have the close cooperation of staff to make sure any wrongdoing in the past is fully uncovered and that any information it needs will be supplied to that office.

Mr. Glickman indicated he was very uncomfortable with the indictment system. He indicated his strong feelings about the system because he believed that the public misinterprets the term. He noted that an indictment is a procedure which takes place behind closed doors where people listen to the U.S. Attorney's evidence and accusations but the people accused under these circumstances cannot defend themselves. Under this system, which he believed is unfair, there is an apparent presumption of guilt. He indicated that this is in opposition to the American legal system which presumes innocence until guilt is proven and he stressed his concern that people's lives have been destroyed by such indictments.

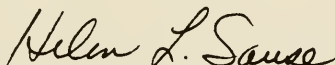
Dr. Williams indicated that he did not know the individuals involved except for Mr. Ben Miller who has been of great service to the Western Addition A-2 community for a long

period of time. He believed Mr. Miller should be encouraged during this difficult period and noted that the only information the U.S. Attorney's office has about Mr. Miller is hearsay evidence that shows he received money. He expressed the belief that this was an inadequate basis for a conviction.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen L. Sause". The signature is written in dark ink and is positioned above the printed name and title.

Helen L. Sause
Secretary

1/77
1

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF MARCH 1977

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of March 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

and the following was absent:

Walter F. Kaplan

The President declared a quorum present.

Also present were Willa Jones, Bayview-Hunters Point Joint Housing Committee; Mary H. Rogers, Benny Steward, and Arnold Townsend, Western Addition Project Area Committee (WAPAC); Fred Ezazi, Bay Cities Paving and Grading; Richard Garvin, Pinne, Garvin, and Hock, Inc; William McEnerney, attorney representing McGuire and Hester; Edward Allison, attorney representing Homer J. Olsen, and A. Glickman, Homer J. Olsen; and John Nichols, Jacobs Associates.

Representing the press were Donald Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meetings of March 15, 1977 and March 22, 1977 and the minutes of an Executive Meeting of March 22, 1977, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) The Agency has just been advised that the anticipated hearing on the Goodman Building for March 23, 1977 was not calendared on advice of the City Attorney because it appeared that the repairs that have been made are sufficient to permit continued occupancy of the building until disposition of it has been resolved.
- (b) The bids have been received for Site Improvement Contract No. 16 for Hunters Point. This is the contract which the Commissioners previously considered and decided to have readvertised. The low bidder was O. C. Jones whose bid came in between the two lowest bids received when the contract was previously advertised. Staff is now evaluating the affirmative action and safety programs of the low bidder and a recommendation will be made to the Commissioners at a future Agency meeting.

UNFINISHED BUSINESS

- (a) Resolution No. 60-77 authorizing the expenditure of funds for advertising India Basin Industrial Park, an approved redevelopment project area.
- (b) Resolution No. 61-77 approving and authorizing the Executive Director to execute an agreement for services with Pinne, Garvin, and Hock, Inc., India Basin Industrial Park Approved Redevelopment Project Area.

These two resolutions are companion items relating to the marketing program in India Basin. The first concerns expenditure of \$86,000 for advertising costs for a marketing program developed by Pinne, Garvin, and Hock, Inc. which will be directed to three basic target areas of (1) local industrial, (2) midwest/northeast industrial, and (3) the Japanese industrial market. The advertising will be placed in a variety of publications. The second item relates to the agreement with Pinne, Garvin, and Hock, Inc. for one year with a maximum contract amount of \$35,000 which could be reduced by \$11,000 from a 15 percent media commission and result in a \$24,000 net contract amount. The firm would provide development and placement of the advertising copy and monitor the marketing results. Mr. Hamilton indicated that both items were held over from a previous meeting pending an indication of the position of the Bayview-Hunters Point Joint Housing Committee (JHC) on the matter.

Mr. Earl Mills, Area Director for Hunters Point and India Basin, came forward and indicated that Claude Carpenter, Chairman of the JHC, could not be present but the Director, Willa Jones, was present. Ms. Jones came forward and indicated that the two items were brought to the attention of the JHC at its last meeting and there was full approval of the items.

Ms. Blomquist expressed strong concern about spending \$86,000 to market only 30 acres and suggested that should the post office proposal not come to fruition this expenditure should then be considered. Dr. Williams expressed concern about locating the post office in India Basin because it was his belief it would not be of benefit to either the project or the people in Hunters Point. He suggested that staff evaluate the impact that the post office had had on West Oakland where it appeared that the post office did not benefit the community to any great degree or create additional job opportunities. He indicated that the suggestion of Mayor George Moscone concerning the possibility of locating a Japanese automobile assembly plant in India Basin be considered, since this would provide a new job market. He indicated his reluctance to set aside 30 acres for a post office. He asked Mr. Hamilton to comment on the expenditure of the \$86,000 advertising budget.

Mr. Hamilton indicated that the \$86,000 was budgeted to publicize the whole project. He noted that if sufficient interest is generated in the project then the one-year advertising program can be discontinued. He indicated that the post office proposal had been previously discussed and was being thoroughly evaluated by staff and that while he did not know the effect of the West Oakland postal facility he believed that the proposed job yield for India Basin could be more than any other development could be expected to provide. In regard to consideration of placing an automobile assembly plant in the project, Mr. Hamilton indicated that there was an insufficient amount of land in India Basin for that use. He also reported that he had met with Postmaster Lim P. Lee on the possibility of providing jobs and there appeared to be a variety of ways this issue could be addressed. He noted that Mr. Mills and community representatives had met with postal employees that morning and may have additional information to report. Mr. Mills indicated he had had a very positive meeting

UNFINISHED BUSINESS (continued)

with Postmaster Lee on employment opportunities, however there was more work to be done on the matter. He noted that Mr. Carpenter and two others from the JHC had accompanied him and that they would be working with the postal staff to finalize a vehicle to provide an acceptable number of jobs. He noted that he preferred to defer his response on the potential benefit of this development at the present time until more work had been done on the matter. Mr. Hamilton indicated that before the post office disposition would be recommended to the Members, he would obtain appropriate assurances on the issue of jobs. He stressed that the Agency was sensitive to its commitment to provide jobs for the community.

Mr. Glickman inquired about the average price per acre exclusive of the 30 acres the Agency is considering selling to the post office. Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, responded that the price per acre would be about \$80,000. Mr. Glickman commented that the \$86,000 advertising budget would potentially generate \$2.4 million in sales which he believed was reasonable. He suggested that if at the end of three months the results were not satisfactory, then the Agency could review the effectiveness of the agreement. Mr. Richard Marshall, Business Development Specialist, indicated that the contract had a termination provision subject to a 60-day written notice and staff could determine whether or not the results being obtained were satisfactory. President Wexler also noted that a status report on the contract could be provided at any time the Members wished, Mr. Lee suggested that a timetable for such review should be incorporated in the Members' action but since such review could be requested at any time, it was decided that it did not need to be incorporated in the motion.

Dr. Williams indicated that at the previous meeting he had requested that the community indicate its approval of the proposed advertising budget and agreement. Since the JHC had reported its approval he suggested the Members adopt the proposed resolutions.

President Wexler indicated each item would be considered separately at Ms. Blomquist's request.

ADOPTION: It was moved by Dr. Williams. and seconded by Ms. Shelley that Resolution No. 60-77 be adopted, and on roll call the following voted "Aye":

Mr. Wexler
Ms. Shelley
Mr. Glickman
Mr. Lee
Dr. Williams

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared the motion carried.

UNFINISHED BUSINESS (continued)

- (b) Resolution No. 61-77 approving and authorizing the Executive Director to execute an agreement for services with Pinne, Garvin, and Hock, Inc., India Basin Industrial Park Approved Redevelopment Project Area.

Ms. Blomquist inquired if the Agency's printing shop would be utilized in the advertising program, and Mr. McMahon responded negatively indicating that in order to schedule the advertising the work will be prepared by the advertising firm. The Agency's small staff would not be adequate to conform with the timing required by the firm. Ms. Blomquist inquired if this applied to the brochures also, and Mr. McMahon responded affirmatively.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

NEW BUSINESS

- (a) Resolution No. 70-77 authorizing the Executive Director to enter into an owner participation agreement with a certain property owner in Western Addition Approved Redevelopment Project Area A-2, Block 1127, Lot 25.

This concerns an owner participation agreement with Karen Zuzich Cancino for renovation of a two-unit building at 1925-27 Ellis Street built in 1880. The repair work will cost \$18,782 and be financed by a Federal 312 loan. The work will include installation of a new heating system and painting of the interior and exterior in addition to other repairs necessary to conform to the rehabilitation standards.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 69-77 authorizing the Executive Director to execute a change order for supplemental rehabilitation work on an Agency-owned property, Parcel 684/E-2, Western Addition Approved Redevelopment Project Area A-2.

This concerns a change order to a contract with Jun Kwok Tom, originally for \$249,500, to provide necessary support for the second floor of the building at 1961-69 Sutter Street which is being rehabilitated by the Agency. The building is part of Victorian Square and will provide eight housing units and ground floor commercial space. The additional support can be provided either by a post and beam system for \$12,490, or a Glu-Lam beam system at \$16,789. Staff recommends use of the Glu-Lam beams since these permit better space use and also have a better appearance. In reply to Mr. Lee's question of how long the Glu-Lam beams would be, Mr. William McClure, Chief of Rehabilitation, responded that these would be 23 feet allowing floor space clear of any obstructions in each commercial space. Mr. Lee inquired about having steel beams and columns and Mr. McClure recommended that the space would be better utilized by eliminating any posts in the area.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 67-77 authorizing amendment to contract for legal services in condemnation actions in connection with the Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

This relates to an amendment of \$50,000 to the contract with Rogers, Vizzard and Tallett for legal services for condemnation actions relative to property acquisition in Western Addition A-2. It is anticipated that an additional 26 parcels are to be acquired, of which it is estimated that ten will require trial preparation. In response to President Wexler's inquiry, Mr. McMahon indicated that he believed the amended contract currently totaled \$385,000. He also indicated that the contract was authorized in 1964, when the law partnership was formed. Mr. Hamilton indicated that the \$385,000 did not include the \$50,000 amendment. Mr. Glickman inquired how the law firm was paid, and Agency General Counsel Tilden H. Edwards indicated payment was on an hourly rate which was now \$50 per hour.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 71-77 authorizing the filing of an amendatory application for loan and grant for Project No. Calif. R-III, India Basin.

In response to Mr. Hamilton's request, Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, came forward and indicated that the proposed amendment increasing the loan and grant contract for India Basin by \$315,663 from recaptured categorical urban renewal funds was part of the \$2.5 million "urgent needs" funds which have been granted to the City. Other monies will come to the Agency through issuance of a letter of credit in accordance with the Community Development procedure. Dr. Williams asked if the amount being sought in loans was equal to the grant which the Agency received, and Mrs. Hale responded that the loan provides funds for the purposes of acquisition and property management and the grant is the difference between the proceeds from the sale of land and the loan.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 66-77 amending Resolution No. 107-76 adopted June 15, 1976 establishing classifications and compensation schedules for Agency staff.

This concerns amendment of the salary resolution adopted June 15, 1976 to create two new classifications, one for Chief of Planning and Programming, and the other for Community Development Specialist. The recommendation on the Planning and Programming position results from the retirement of William Mason, Acting Director of Planning and Programming, in May of this year. The Civil Service Commission in its survey of Agency positions recommended that the position of Director of Planning and Programming be reduced to Planner V and paid at the salary schedule of 46.3 but Agency staff disagreed with this designation and recommended that the position be established as Chief of Planning and Programming at the level of Salary Schedule No. 48.1 with a range from \$25,075 to \$30,511. The present salary for the Director's position is 51.1, or \$29,075 to \$35,209 annually, and the present Assistant Director is paid at 47.3 for \$24,246 to \$29,362 annually.

The other new classification is for a Community Development Specialist in accordance with Civil Service salary study recommendations at Salary Schedule No. 45.2, or \$21,976 to \$26,570 per year.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (f) Resolution No. 68-77 rejecting all bids received in connection with Site Improvement Contract No. 18, India Basin Industrial Park Approved Redevelopment Project.

Four bids have been received on Site Improvement Contract 18 in India Basin. This contract is for the construction of both City and Agency improvements on Newhall and Mendell Streets, and Mr. Hamilton indicated that McGuire and Hester was the apparent low bidder at \$2,020,237. The bids, however, are contested because two bidders, McGuire and Hester and O. C. Jones, submitted only this lowest proposal and not four separate totals for each of the four alternates in the bid, as did Homer Olsen and DeNarde Construction, and also because the bid officer refused to accept the Bay Cities Paving and Grading and the E. Mitchell, Inc. bids which were submitted seconds late thus making the exact time a disputed matter. The Bay Cities' representative maintained that he had relied on a wall clock which was 27 seconds later than the phone company time which the bid officer relied upon.

Dr. Williams indicated his belief that based on the information he had obtained the best possible position the Agency could take was to reject all bids. In response to Mr. Glickman's inquiry, Agency General Counsel Tilden H. Edwards indicated that legally the Agency had a right to reject all bids as a result of the dispute on certain technicalities. Mr. Lee asked the bidding officer to describe the normal procedure followed in opening bids, and Mr. Frank Cannizzaro, Area Engineer for Hunters Point and India Basin, indicated his reliance on a phone call to the telephone company to ascertain the precise time rather than using clock time. Mr. Lee wished to know if this procedure was written into the specifications so all contractors were apprised of it, and Mr. Cannizzaro replied that the invitation to bid states that bids will be closed at 2 p.m. PST and the Agency's policy has always been to use the phone to establish PST.

Mr. Edward Allison, attorney for Homer J. Olsen, came forward and indicated that his client was either second or third low bidder depending upon which factors were considered. His client was the only bidder who got his bid in on time and filled out all the requirements of the invitation to bid. Two other bidders, O. C. Jones and McGuire and Hester, got their bids in on time but did not fill out portions of the bid specifications which he believed was required. Mr. Allison indicated that this omission may appear to be minor but under time pressures the filling in of all the forms takes a considerable amount of time. It was his impression that the two other contractors were late for this reason. In his opinion contractors would soon become discouraged from bidding if the Agency rejects all bids and penalizes those contractors who complied with all of the requirements. He indicated that it had cost his firm from \$5,000 to \$10,000 to bid the contract and if the Agency rejects these bids there will be an additional cost in rebidding. He indicated that a letter of protest had been submitted, and President Wexler acknowledged that the Members had copies of that letter. President Wexler acknowledged the last minute need to refine bid figures and inquired if Mr. Allison's client believed there was insufficient overall time allowed to prepare the bid. Mr. Allison answered negatively noting that there was no contention on the overall adequacy of time but commented that in preparing bids for a contract of this magnitude subcontractors come in at the last to avoid having their proposals shopped to someone else. He indicated that because the firm had complied with all requirements the award of the contract should go to Homer J. Olsen.

Mr. William McEnerney, attorney representing McGuire and Hester, came forward

NEW BUSINESS (continued)

and indicated that he wished to clarify any misunderstandings since any evaluation of the bids would show that his client was the low bidder. He claimed that the grounds were insufficient to reject all bids. In his reading of the specifications it requires that the bids must be received by 2 p.m. PST which informs the contractors how to determine time. He read an excerpt from the specifications regarding time and stressed that all contractors were aware of these requirements. He indicated that his client had complied with all requirements and should be awarded the contract. He also stressed that the determination of bid closing was set by the bid officer who had warned the contractors twice in advance of the closing time how much time remained in which to submit their bids. Mr. McEnerney indicated that the specifications required submission of only unit prices on all bid items so that in the case of discrepancy the unit price governs, thus the summaries had been provided only as an aid in completing the proposals. President Wexler asked what Mr. McEnerney's interpretation of the determining factor was if there should be a discrepancy between the amount of his client's total bid and the unit price and Mr. McEnerney replied that the unit prices governed even when the extensions were incorrectly multiplied out. He believed that the law was clear and universally applied that such summaries were not needed and did not disqualify the bidder if not completed.

Mr. Fred Ezazi of Bay Cities Paving and Grading came forward and indicated that there was a misunderstanding since his firm's representatives relied on the clock on the wall in the office where the bids were received and that it indicated that it was still 30 seconds before bids closed. He indicated that the receptionist had stamped the envelope which was in possession of a staff person while the bid officer was on the telephone verifying the time. Mr. Ezazi indicated that it was then that the bid officer announced that it was 20 seconds past 2 p.m. even though the clock still showed it was 10 seconds before 2 p.m. He indicated that the Bay Cities bid was on time and that if it had not had to fill out the summaries it would have been submitted five minutes earlier.

Dr. Williams asked Mr. Ezazi who had received his bid and Mr. Ezazi replied it was stamped by the receptionist. Dr. Williams asked if this established any conflict between one employee accepting a bid while another was refusing it, and Mr. Hamilton replied contractors recognize that normally only incoming mail envelopes are stamped and that the placing of the bid into the bid box is the deciding issue. Agency General Counsel Edwards concurred in this point. Dr. Williams asked if the contractor is required to put the bid into the bid box himself, and Mr. Cannizzaro replied that he was not. Mr. Cannizzaro indicated that at 2 p.m. he announced that the bids were closed, but the Bay Cities representative was still filling out the bid. The bid was not turned in until ten seconds after 2 p.m. as announced by the telephone company. Mr. Glickman indicated that since the specifications state 2 p.m. PST he asked if Mr. Ezazi had always relied on the clock in the bidding room, and Mr. Ezazi answered affirmatively and stressed that the bid was 20 seconds late because of the office clock.

President Wexler asked Mr. Allison if in his opinion his client had filled out the summary but had made an error in his calculations so that there was disagreement between the unit prices and the totals would Mr. Allison believe that this would disqualify the bid or would the unit price prevail. Mr. Allison replied that he believed it would disqualify the bid because no one could tell what that bid was, and therefore the bid should not be read if there were any mistakes in the summary totals.

NEW BUSINESS (continued)

Mr. Hamilton noted that the Agency is not prepared to accept that the filling out of a summary form was a condition of the bid. He indicated that the summary did not alter the actual bid amount which was controlled by the unit price, the summary being for the convenience of the contractor. The issue can also be raised as to whether a contractor can legally rely on a clock that is posted on a wall. He indicated that the bidding officer had announced the time twice and this should have been sufficient notice, however there is also some argument as to a contractor relying on an Agency clock for the time established by the telephone company and since these arguments cannot be resolved, Mr. Hamilton recommended that all bids be rejected. Dr. Williams indicated that Mr. Allison had presented an additional reason for rebidding if in fact only one acceptable bid was received.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

Mr. Lee suggested that the motion be amended to specify that PST or PDT be stated and clarify whether reliance can be made on the time shown on the office clock. If this is not the case the bidding officer should utilize an audible time signal which can be heard by the contractors. Dr. Williams agreed with the amendments in principle and suggested that staff work out a suitable and equitable way to eliminate confusion.

President Wexler indicated that legally the cutoff time for receiving bids is 2 p.m. but he believed that a contractor could reasonably have assumed that the office clock was also accurate, however to accept a bid that was submitted after bidding closed would violate the law and this is an area where the Agency has to internally correct its procedures so that there is no further dispute. President Wexler indicated that under the circumstances the recommendation for bid rejection based on the time dispute was the only way to proceed.

MOTION: It was moved by Dr. Williams, seconded by Mr. Lee, and unanimously carried that staff be directed to develop procedures to eliminate confusion about bid closing time in the future.

In response to Mr. Glickman's inquiry, President Wexler indicated that the Homer J. Olsen firm would not have to fill in the bid summaries, only the unit prices on all bid items. He noted that the specifications should also clarify that issue so no one takes time to fill out the summaries if they do not wish to. President Wexler apologized to the bidders for the lack of clarity which necessitated rejecting the bids. He stressed that it was the Agency's responsibility to make the language clear so that no confusion exists. He indicated that staff would make its best efforts to prevent this from occurring again.

† this point, Ms. Shelley left the meeting at 5:30 p.m.

President Wexler indicated that the following item would be taken up out of order.

ATTENDERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton indicated that at a previous meeting he had recommended to the Members that all employees who were under indictment by the U.S. Attorney's office currently be placed on suspension without pay. He now recommended that these four employees be reinstated to active status immediately retroactive

MATTERS NOT APPEARING ON AGENDA (continued)

to the first date of suspension. He explained, after having been informed of implications which were both legal and financial, that any employee who was later exonerated is prohibited from reinstatement with full back pay by Federal regulations. Therefore, Mr. Hamilton recommended that, based on the potential injury to these employees, they should be reinstated and assigned to other areas of work than those which led to their indictments. Dr. Williams concurred in the recommendation noting that this was in keeping with the presumption of innocence provided by the Constitution to every person until guilt was established. Depriving these employees of their livelihood denied this fundamental right.

MOTION: It was moved by Dr. Williams, seconded by Mr. Lee, that the four employees under indictment by the United States Attorney's Office be reinstated immediately to active pay status retroactive to the first date of suspension, and that they be assigned to work in areas other than those which led to their indictment.

Mr. Glickman indicated his pleasure in supporting this motion since he was not in favor of conviction before trial. He also noted that these individuals would be put to considerable expense to prepare their legal defense and that such costs were expensive and it would be punitive for the Agency to deprive them of their ability to earn a living. Ms. Blomquist indicated that this was the first knowledge she had of the proposal and therefore she wished to abstain.

MOTION: It was moved by Dr. Williams and seconded by Mr. Lee that the four Agency employees under indictment by the United States Attorney's Office be reinstated immediately to active pay status retroactive to the first date of suspension and be assigned to work in areas other than those which led to their indictment, and on roll call the following voted "Aye":

Mr. Glickman
Mr. Lee
Dr. Williams
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

Ms. Blomquist

The President thereupon declared that the motion carried.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the meeting be recessed for twenty minutes, after which time the regular meeting would be reconvened. The meeting adjourned at 5:40 p.m.

The regular meeting of the San Francisco Redevelopment Agency reconvened at 5:55 p.m. Members Wexler, Blomquist, Glickman, Lee, and Williams were present, and also certain staff, and John Nichols of Jacobs Associates.

NEW BUSINESS (continued)

- (g) Resolution No. 65-77 authorizing the Executive Director to accept the offer of CEME Development Corporation as negotiated settlement of all claims, costs, and interest between negotiating parties arising out of claims and litigation of Site Improvement Contract No. 2, Hunters Point Approved Redevelopment Project.

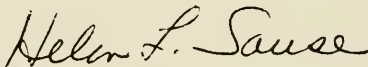
This represents the CEME settlement proposal of all claims for a total of \$2,102,000. This settlement includes complete release of all claims in connection with the litigation.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Dr. Williams, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

77
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF APRIL 1977

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of April 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice-President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

and the following was absent:

Walter F. Kaplan

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present. Also present were Fred Leuenberger, W. B. Dickman Construction Company; Charles Stuhr, R. Delano, V. Delano, Jovita D. Buted, Gabriela Tambio, B. G. Galicia, and E. Galicia, Pacific Trade Center; Arnold Townsend, Benny Stewart, Dexter Woods, Gene Stancil, and Teall Henderson, Western Addition Project Area Committee (WAPAC); and Alex Angelo, Rudy Homado, and Terry Collins, interested citizens.

Representing the press were Ivan Sharp, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of a Regular Meeting of March 29, 1977 and the minutes of an Executive Meeting of March 29, 1977, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) Tonight beginning at 10 p.m. the Agency's contractor will move three Victorian homes more than a mile through the Western Addition area. The moves will be completed on Wednesday morning. Two homes will start from Turk at Franklin and the other from Webster and O'Farrell and be hauled on large dollies by trucks to Fillmore and Sutter to the Victorian Square area.
- (b) A new brochure illustrating the Agency preservation activities has just been completed and will be mailed out to approximately 5,000 persons within the next few days.

NEW BUSINESS

- (a) Resolution No. 72-77 approving and authorizing the Executive Director to execute an agreement with the Pacific Gas and Electric Company for an electric distribution system, India Basin Industrial Park, R-III.
- (b) Resolution No. 73-77 approving and authorizing the Executive Director to execute an agreement with Pacific Gas and Electric Company for a gas distribution system, India Basin Industrial Park, R-III.

President Wexler indicated both these items would be considered together. The first item concerns a Pacific Gas and Electric Company agreement for an electrical distribution system in the Newhall and Mendell Streets area for \$19,639 which is a refundable deposit if sufficient services are connected within a three-year period. President Wexler inquired if there would be sufficient connections within that period, and Mr. Hamilton replied affirmatively. The second item concerns an agreement with PG&E for a gas distribution system in the same area for \$23,471 which is a nonrefundable payment. This work is related to Site Improvement Contract No. 18 in India Basin.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that both these resolutions be adopted.

- (c) Resolution No. 75-77 ratifying and approving action of the Executive Director in soliciting bids in connection with rehabilitation of Agency-owned structures on Lots 4, 3, 34, 27, Block 1127 in the Western Addition Approved Redevelopment Project Area A-2; awarding contracts to Willie Ballard, David Mischel and Garrison Construction on the basis of low bids received and authorizing execution thereof.

Authorization is requested to contract with the four low bidders for properties being rehabilitated by the Agency, three of which are minority-owned firms, and all have previously worked for the Agency and are fully bondable. Mr. Hamilton indicated that as a result of 90 invitations sent out, 16 general contractors and 25 subcontractors picked up bid packages. Staff will prepare to market the properties during the six months' rehabilitation period. The low bidder on the property located at 1207 Scott Street was Willie Ballard at a cost of \$78,600. David Mischel is the lowest bidder on 1211 Scott Street for \$81,250, Garrison Construction on 1213-15 Scott Street for \$85,787, and Willie Ballard on 1917 Ellis Street for \$84,550. Three of the buildings will be four-bedroom single-family homes and the other will be rehabilitated as two townhouses. Ms. Blomquist inquired if there were Agency estimates, and Mr. William McClure, Director of Rehabilitation, answered affirmatively noting the bids were within 10 percent of the estimates.

Mr. Benny Stewart of the Western Addition Project Area Committee (WAPAC) came forward and indicated that he believed a problem existed on buildings rehabilitated by the Agency and suggested that the costs were so high that the buildings were priced beyond the reach of community people. He indicated that single-family dwellings were more desirable for people with children than apartments or condominiums but when these were too expensive people were forced out of the Western Addition area. President Wexler asked him if he had any suggestions to remedy the situation, and Mr. Stewart indicated that he had no program but suggested that the rehabilitation costs be cut, and that down payments be decreased and rents also. He suggested that people could rehabilitate their own structures up to code.

NEW BUSINESS (continued)

Mr. Glickman suggested that condominiums were providing an alternative for some families because in these the common space was divided or shared in a different way to provide more separate bedrooms. Mr. Stewart did not believe that this would serve the needs of larger families with four or five children. Mr. Glickman indicated that it was unrealistic to expect the price of homes to decrease in today's real estate market.

President Wexler noted that the escalating real estate market was not only a Bay Area but a national problem and inquired if there was any way in addition to what the Agency was presently doing to bring down prices. He indicated that since the bids for rehabilitating these four structures were competitive it could be assumed that they were the lowest in the market. In response to President Wexler's inquiry, Mr. Hamilton noted that the staff has worked with WAPAC for a long time on this serious and sensitive issue. He indicated that the staff had explored ways to provide subsidies for rehabilitation that would not be part of the mortgage package, but this cannot be done because it is in effect a windfall to the buyer. The issue of decreasing the down payment has also proved infeasible since in structures to be rehabilitated financing is determined by a percentage of the buildings "after value" which the lenders are willing to finance. Since lenders are conservative, a large down payment is generally required. The Agency is also in the process of developing a condominium program which should provide housing opportunities in addition to those now available. The buildings presently being considered are in need of such major repairs that they would not provide an appropriate test for any of the innovative programs being considered. Mr. Hamilton indicated that the Agency is willing to meet with the Department of Housing and Urban Development (HUD) and WAPAC to explore ways of reducing lending restrictions to provide more money.

Mr. Stewart indicated that one of WAPAC's responsibilities was to maintain units for community residents but referred to one building with three bedrooms on Scott Street which rented at \$805 per month as an example of rehabilitated structures which were out of reach to the community. Mr. Glickman inquired what the amortization was on loans being offered and if it was possible to extend the monthly payments so that they would be lower. Mr. Hamilton responded that this was one of the items addressed to the lender, and Mr. McClure indicated that usually the loans were for 30 years or three-quarters of the remaining life of the building and that it appeared to be reduced as far as it is possible to go at present.

Mr. Lee inquired when the buildings were advertised for bids whether the staff designed the improvements to be made, and Mr. McClure answered affirmatively. Mr. Lee also asked about the per-square-foot cost of rehabilitation, and Mr. McClure indicated that on buildings which required such major repair it was close to that of new construction and would be from \$35 to \$40 per square foot, excluding the garage and basement. Mr. Lee suggested that the design be reviewed for a possibility that reductions could be made. Mr. McClure indicated that staff designed the buildings to meet city code, as well as the Agency's rehabilitation standards established in the Redevelopment Plan for Western Addition A-2. The life expectancy of a building brought only up to city code would be from five to fifteen years, but rehabilitation standards would extend the life of the same building to about forty years and this is a part of the financing program which would create problems if not adhered to.

Mr. Dexter Woods came forward and indicated he had been part of the WAPAC staff and had lived in the area for 29 years. He indicated his belief that these

NEW BUSINESS (continued)

same buildings sold for \$25,000 less last year and that the bids were too high. He indicated that there was nothing in the area that families could afford to move into that was satisfactory and that many of the new buildings in the area were of poor construction. He claimed that since there was no room for families most of these people with children have had to move to other areas such as Hunters Point or down the peninsula. He claimed that the waiting lists for apartments was very long at Freedom West, Banneker Homes, and Marcus Garvey Square, and that one-bedroom apartments were all that was available. He requested that since these were the last four buildings available that the item be postponed for a month to study it further.

Mr. Arnold Townsend of WAPAC came forward and indicated that in regard to the method of people purchasing homes and doing the rehabilitation work themselves that the Agency informed WAPAC that this would not work, although it had not yet been tested in San Francisco. Mr. Townsend indicated that this method had worked in other areas and suggested that people move in and do the work themselves within an established time limit and that the Agency help them purchase materials. Experts could do the work that the purchasers could not do. He asked what HUD regulations prevented this approach, but noted Mr. Hamilton's comment that such subsidies could be construed as constituting a windfall where the purchaser would profit when the property was sold. Mr. Townsend indicated that the important point was for these people to have homes to live in, improve them, but not sell them for profit. He indicated that the condominium program was interesting but he believed \$10,000 was beyond the means of most people to pay for a down payment on a \$40,000 condominium. He alleged that so far the Agency has created only two property owners and that he himself was unable to obtain a loan. He indicated that more homeowners would create new taxpayers. He claimed that property owners did not want families and that while three adults could afford to pay \$250 each for a total rental of \$750 per month, this was beyond the means of families. He also claimed that costs were high when the Agency did the rehabilitation work because contractors knew that the Agency had money to spend and they bid higher and that individuals could do the work for less than the Agency estimates. He alleged that the Agency had destroyed family units and replaced these units with 0- to 1-bedroom units unsuitable for family use, although he acknowledged that Freedom West did have some 4-bedroom units.

President Wexler asked Mr. Townsend if he were suggesting that these bids not be awarded until a new method for families to acquire property was pursued. In response to President Wexler's inquiry, as to whether Mr. Townsend had fully explored the problem with Agency staff, Mr. Townsend indicated that he had been advised by staff that the idea was infeasible. He requested that the bids be held over until a plan could be formulated to permit people to move into such properties and rehabilitate the structures themselves. President Wexler cautioned that if a disturbance created by Mr. Woods continued further discussion would be terminated.

Mr. Hamilton indicated that these buildings were unsuitable for people to move into and attempt rehabilitating them on their own because the deficiencies were so serious that major work must be done to cure these problems. He indicated that there were some explorations as to what the Agency could do and the staff was prepared to meet and would continue to work on the problem. Mr. Blomquist inquired if there were other buildings that were not in such serious condition on which the proposal could be tried, and Mr. Hamilton replied that he believed there were a few structures left which did not require such extensive work.

NEW BUSINESS (continued)

Mr. Terry Collins came forward and indicated he was the manager of the Buchanan Park apartments which were only one year old but which were in poor condition with leaks and other problems in maintenance. He claimed that on one building at Ellis and Divisadero the contractor, Willie Ballard, had submitted an estimate of \$160,000 and he indicated that he had found people who could do the rehabilitation work on the 16 studios and storefront for less than that amount. He indicated that the people of the community with skills could use them to fix these buildings and ways should be found to permit them to purchase such buildings. He claimed that the Buchanan Park apartments would not last another two years in their present condition. He claimed also that many good houses had been demolished.

Mr. Townsend asked that the Agency consider the possibility of having people pay back to the Agency a percentage of that money spent on rehabilitation. Mr. Hamilton replied that he was not aware whether this avenue had been explored and suggested that one building mentioned by Mr. Collins be examined for its potential provision of family housing. Mr. Townsend indicated that there were many buildings but that an overall plan was needed which could be applied to other remaining structures. Mr. Hamilton indicated that the correctional problems were unique for each property so it would be difficult to have a general plan to suit all buildings.

Ms. Shelley asked Mr. Townsend if he wanted the Agency to do something about the four buildings in question and Mr. Townsend replied that if the item was held over for 30 days it would permit WAPAC time to talk to people and to staff to ascertain how the buildings could be made part of a projected program. Mr. Stewart indicated that if the rehabilitation work was done by union crafts the costs would rise and suggested that someone be hired to do the work necessary to bring the building up to code and then give the buildings to the people to rehabilitate to the standards of the plan. Mr. Hamilton indicated that this presumes that there would be a substantial difference in the cost of the code work and the cost of rehabilitating the building to the plan standards. He noted that this is often not the case.

Dr. Williams affirmed what Messrs. Stewart and Townsend commented about the difficulty poor people had in buying housing that has been rehabilitated because costs are beyond their reach. He indicated that there was a major problem when large families could not buy housing but at the same time he did not wish to damage the minority contractors who had bid on the work. He urged that the Agency resolve the problem before it was too late. President Wexler acknowledged the reality of the problem. He inquired how long the bids could be held, and Mr. McClure responded the bids were good for 45 days from date of opening, since they were taken on the four consecutive days of March 17, 22, 23, and 24 so that they would expire on May 2, 1977. In response to President Wexler's inquiry if delaying bid award until the Agency meeting of April 26, 1977 would allow sufficient time to explore the matter, Mr. Townsend responded that he would try within that period to come up with some alternatives.

In reply to Mr. Collin's question, Mr. Hamilton indicated that the "sweat equity" approach is not feasible in San Francisco due to the difference in housing problems here from those on the east coast where there are many abandoned buildings which are not on the tax rolls and which are to be rehabilitated to different standards. In San Francisco there are actual code compliance and rehabilitation standards which are necessary.

NEW BUSINESS (continued)

MOTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be held over until April 26, 1977 to allow staff investigation with the Western Addition Project Area Committee (WAPAC) on what alternatives are available to in-house rehabilitation of Agency-owned structures, Western Addition Approved Redevelopment Project Area A-2.

- (d) Consideration of status report by the Pacific Trade Center for Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

This represents a status report from representatives of the Pacific Trade Center (PTC) for consideration by the Members of the progress made on the proposed assignment of interest of the W. C. Haas Company to the W. B. Dickman Construction Company. Mr. Hamilton recalled that on January 4, 1977 the Members had granted a six-months' extension to PTC, plus a two-months' default period so that PTC could dissolve its existing agreement with the W. C. Haas Construction Company and form a new joint venture agreement with the W. B. Dickman Construction Company. Mr. Charles Stuhr, attorney for the PTC, and Mr. Fred Leuenberger, attorney for the W. B. Dickman Construction Company, were both present, and Mr. Hamilton requested Mr. Stuhr to present his report.

Mr. Charles Stuhr, Counsel for the PTC, came forward and indicated that there was still a joint venture agreement with the W. C. Haas Company and that he had in his possession two letters from the company advising him their interest in the project would be relinquished provided certain conditions were satisfied. The Haas Company wants reimbursement of \$110,000 for alleged expenditures and Mr. Stuhr indicated he had informed them that the PTC people would pay Haas whatever the law permitted to be paid if the project went forward with the W. B. Dickman Company. He indicated that Messrs. McMahon and Michael Mann, Business Development Specialist, had provided him with HUD regulations concerning anti-speculation provisions which specified what costs could be paid to the joint venturer. This information was sent to Mr. Haas in Kansas City and he was asked to provide the audited report necessary to obtain HUD approval of the amounts to be paid to Haas so that his interest in this joint venture could be concluded. Mr. Haas wrote back that he believed Mr. Dickman was in a position to pay \$110,000 but Mr. Stuhr informed him that the law would not permit this payment without an audited report to establish actual dollar values. Mr. Stuhr indicated that the only expenditures that he knew of was \$10,000 paid for an appraisal. He indicated that money for travel to Europe had been expended and that the firm had maintained an office in San Francisco. Mr. Stuhr indicated that to date nothing has been received except a listing of five gross items. Again, Mr. Stuhr wrote to Mr. Haas indicating this was unacceptable and Mr. Haas then referred him to Mr. George Choppelas, his attorney, here in San Francisco, but Mr. Stuhr has not been contacted by Mr. Choppelas. It was Mr. Stuhr's opinion that the project should go forward with Mr. Dickman but Mr. Haas has done nothing to relinquish his interest and to accomplish this the \$110,000 must first be dealt with on audited figures before consideration of payment.

Dr. Williams inquired if Mr. Stuhr believed there was unwillingness on the part of Mr. Haas to actively pursue settlement, which is tying up the project. Mr. Stuhr replied that it was his belief there was some legal basis for termination of the Haas firm and PTC; however, Haas had duties to perform under that agreement and it appears this was not carried out.

NEW BUSINESS (continued)

Mr. Hamilton indicated that Mr. Fred Leuenberger was present and President Wexler asked if the termination of the Haas interest was something Mr. Leuenberger's group would initiate. Mr. Stuhr replied that the Agency had the power to terminate the agreement under certain conditions but that at this time the PTC was not seeking anything from the Agency. Dr. Williams expressed concern because it appeared that Haas had not dealt fairly with poor people and had caused them to jeopardize their savings, time, and effort. He inquired about the Agency's responsibility, and Agency General Counsel Tilden H. Edwards replied that it appeared Haas was still a participant in the PTC group and that no one has come up with sufficient financing to fund the project even though there have been numerous extensions. Mr. Edwards indicated that if Haas failed to fulfill his agreement then the PTC could go against him, but the Agency does not have any right to involve itself in their joint venture.

President Wexler indicated that at this time the Agency must either continue the joint venture extension or if there was sufficient cause, terminate it. But the Agency cannot terminate an individual member of the joint venture. President Wexler asked if Mr. Stuhr was working on resolving the problem with Mr. Haas and Mr. Stuhr indicated that he was doing so. Ms. Blomquist inquired if Mr. Haas did not act to submit his figures could the Agency do anything to move him, and Mr. Stuhr indicated he believed that Mr. Haas would respond to the requests in order to recover his expenditures on the venture.

Mr. Leuenberger indicated that the W. B. Dickman Construction Company was in a dilemma because of the situation. He indicated that it appeared Mr. Stuhr had done all that was possible and that Mr. Dickman wished to avoid time-consuming litigation. The PTC people have indicated their desire to associate with Dickman so there remains only the matter of removing the Haas firm from the joint venture. He believed that the project was a good one and that in the interim Dickman has retained an architect to review the project with the idea of reducing the costs from \$32 million to \$30 million to make the project more feasible. He indicated that Dickman has access to the best advice from potential lenders in the commercial area and that various buildings in the Civic Center area have been examined to ascertain the best use of the project. The information received indicates that the development is only feasible if government occupancy of 40 - 50 percent can be obtained. Although the new Administration is endeavoring to cut expenses, the space is needed by federal agencies in the Civic Center area. Mr. Dickman is working to obtain such preleasing since there cannot be a take-out loan for \$32 million unless the potential lenders are satisfied there is an assurance of an adequate preleased amount. The project must have take-out financing assured and the problem of the Haas interest resolved before it can proceed. He urged that the Haas interest be concluded so that Dickman can go forward. He indicated that the PTC people have invested \$700,000 and did not want to jeopardize their position and that he was concerned that the extension was running out.

Dr. Williams inquired if a resolution of the issues would be facilitated by a meeting of the Members, staff and the attorneys. President Wexler indicated that the Agency would be pleased to meet with Mr. Leuenberger or anyone else since the extension would soon expire and the Members had made it clear this was the last extension to be granted. He indicated that since there was no request before the Agency at this time, the Members would take no action. Mr. Hamilton stressed his willingness to explore every possibility with Dickman and the PTC and urged Mr. Stuhr to have Mr. Haas, or his representative, meet with the other interests.

NEW BUSINESS (continued)

In response to Mr. Glickman's inquiry, Mr. Edwards indicated that should the Haas and the PTC group terminate their agreement there would be no further claims. Mr. Glickman inquired if there was any way a new group could come in after the termination, and Mr. Edwards replied that there was no question if the project is frustrated or runs its course that either of the parties or a new joint venture could submit a proposal in response to a new offering.

President Wexler indicated that at the expiration of the PTC agreement, however, the Agency will refund the \$120,000 deposit to the joint venture and there are many creditors who will apparently have claims against the funds, which would make it difficult for the PTC to go forward with a new developer. Mr. Stuhr agreed and Mr. Leuenberger recommended that at the meeting of those involved, Mr. Choppelas be invited to represent the Haas position and audited statements. President Wexler stressed that the Agency would provide any assistance that it could and that the Members would be pleased to listen to any further reports. He wished the attorneys success in resolving the problem.

- (e) Consideration of extension of janitorial contract with W and F Building Maintenance Company for the Western Addition site office.

This represents extension of a janitorial contract for one year commencing May 5, 1977 with W and F Building Maintenance Company, the present contractors, which is a minority-owned firm, for \$791.19 per month which represents an 8.69 percent increase over last year's amount of \$728 per month.

MOTION: It was moved by Mr. Glickman, seconded by Dr. Williams, and unanimously carried that the janitor contract with the W and F Building Maintenance Company be extended for one year commencing May 5, 1977 at \$791.19 per month for work at the Western Addition A-2 site office.

- (f) Resolution No. 76-77 authorizing travel for Wilbur W. Hamilton, Executive Director, and Quintin McMahon, Director of Real Estate, Marketing, and Business Development.

This concerns travel of Messrs. Wilbur W. Hamilton and Quintin McMahon to travel to Los Angeles on May 19 to 20 to attend a Practicing Law Institute Seminar on Construction Financing. The seminar will provide knowledge in the area of construction financing and permanent financing at a time the Agency is attempting to implement provisions of Senate Bill 99.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 74-77 designation of title for those serving on the San Francisco Redevelopment Agency.

This represents a change in the common usage title for those serving on the San Francisco Redevelopment Agency from "Members" to "Commissioners", which is more prevalent and understandable to those persons dealing with the public and private sector. Ms. Blomquist suggested the change for clarity.

NEW BUSINESS (continued)

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:55 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF APRIL 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of April 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee (arrived at 4:35 p.m.)
Dr. Hannibal A. Williams

and the following was absent:

Walter F. Kaplan

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold G. Townsend, Mary Rogers, Benny Stewart, Gene Stancil, and Wade Woods, Western Addition Project Area Committee (WAPAC); Brian Tom and George Omi, Courtyard Gardens; Munin Wong, T/W Associates; Isaac Guillory and Tom Harrington, Hargill Construction, Inc; and Robert Sokolov, Rochester Big and Tall Clothing Store.

Representing the press were Donald Canter, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

SPECIAL APPEARANCES Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 674-E, Western Addition Approved Redevelopment Project Area A-2.

- (a) President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 674-E, Western Addition Approved Redevelopment Project Area A-2.

Mr. Brian Tom, attorney representing the Courtyard Gardens development, came forward and indicated that on behalf of his client, Mr. George Omi, he objected to the procedures followed by the Commissioners in selecting the developer for Parcel 674-E, which is located on the north side of Sutter between Laguna and Octavia Streets. He referred to Agency Resolution No. 103-67, which establishes Agency policy for the granting of Certificates of Preference, and alleged that the Agency did not follow its own procedures as outlined in that resolution. Mr. Tom indicated that the resolution stated that exclusive preferential offerings shall be limited to residential parcels of 9,000 square feet or less, and nonexclusive preferential offerings were to be limited to parcels of over 11,000 square feet before being offered to the general public. He stated that offerings, according to the resolution, were to be made exclusively to valid preference holders. He indicated that in this particular offering these procedures were not followed and thus the policy established by the resolution was violated; therefore, his objections were based upon these grounds.

SPECIAL APPEARANCES (continued)

Mr. Tom noted that he had submitted a written statement to the Agency Secretary for incorporation into the record of the meeting. A copy of that statement is attached hereto as an integral part of these minutes. Mr. Tom indicated that he had spoken to Agency General Counsel Tilden H. Edwards and other members of the staff regarding interpretation of this resolution and they appeared to be in accord with the same interpretation.

President Wexler inquired if Mr. Edwards wished to comment, and Mr. Edwards replied that he had just received Mr. Tom's written statement and that rather than try to comment on the document without an adequate opportunity to review it, he would recommend holding the item over until he had evaluated all the facts and arguments. Mr. Hamilton indicated that in light of the recent receipt of the document that it would be preferable to do as Mr. Edwards requested so that an appropriate legal response could be made.

RULE OF THE CHAIR: President Wexler stated that the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 674-E, Western Addition Approved Redevelopment Project Area A-2 would be continued one week subject to the objection of any of the Commissioners.

Dr. Williams objected to the proposal to delay the matter and questioned the propriety of the Commissioners making a commitment to a developer by giving their word as a Board to take certain actions to effectuate a disposition agreement if the developer met certain requirements. He believed that the Board harmed those who had acted in good faith after going through the selection process and being designated by vote of the Commissioners. He indicated that because a person had come forward and objected, there was no obligation to hold over the item and expressed concern that a precedence was being set which would be harmful to other developers. He suggested that the Commissioners act on the matter and consider any challenges at a later time. President Wexler asked Mr. Hamilton if there was a possibility of such damage if the matter was delayed one week, and Mr. Hamilton responded that there was some concern about moving forward rapidly and noted that it should be recognized that the developers had moved with dispatch; however, he indicated that a legal objection had now been presented and was of sufficient gravity to warrant at least a week's delay to evaluate its merits, in order to avoid a longer delay if the matter was to become the subject of litigation. Dr. Williams continued his objection because he believed that a delay implied that the Commissioners had not acted legally and could not proceed, and he was concerned about setting a precedent for anyone who submitted a statement of objection. He expressed concern that such delay implied an admission that the Agency does not have a good clear position. President Wexler responded that a statement of sufficient complexity had been submitted that staff had requested a week's time to evaluate it and to advise the Commissioners on the matter. Dr. Williams indicated that he believed this was a test of the weight given to WAPAC's recommendation. He believed that good faith should be kept by acting on the matter and resolving objections at a later time.

Mr. Glickman indicated that he had not seen either of the legal statements presented by Mr. Tom, or the policy on Certificates of Preference, and he believed he would be remiss in voting on something he had not reviewed. He believed that one week would be sufficient to the Commissioners to evaluate these matters and then they could make an informed decision. In his opinion, one week's delay was also necessary because the Agency General Counsel had requested that period to review the statement.

Mrs. Mary Helen Rogers of WAPAC came forward and indicated her concern was the issue of whether Mr. George Omi actually was entitled to a certificate of preference. She claimed that he had already used a certificate for development of a parcel in the Nihonmachi. Mr. Omi responded that he had not yet used a certificate. Mr. Hamilton indicated that Mr. Omi had constructed some improvements on a parcel in the Nihonmachi area. The issue being considered is whether or not this satisfies Agency obligations with respect to certificate holders. Mrs. Rogers indicated that WAPAC recognized

SPECIAL APPEARANCES (continued)

the validity of only one certificate of preference and alleged that because Mr. Omi lives in the Nihonmachi area he did not feel bound by the WAPAC guidelines and this displeased her. She asked that she be given the same information that the Agency relies upon to evaluate the matter so that WAPAC could also study the same material. She indicated that WAPAC had made its recommendation on the developers for the parcels and when the Agency had rejected one of these, WAPAC had not objected but it now appeared that the Agency was also preparing to follow a different course on this parcel. Mr. Hamilton indicated that the Agency's intent was to administer the certificate program equally and fairly to all the community and added that any information being studied by staff would be made available to WAPAC. He indicated, however, that the arguments in Mr. Tom's statement raised issues which have not been raised before and to evaluate these the legal staff has requested one week to study the issue. Mr. Hamilton indicated that it was important for the Agency to place itself in a defensible position. President Wexler indicated that the matter would be continued one week and urged that there be no misunderstanding of the reason for the delay. He stressed that it was only to provide the Commissioners with the legal opinion of staff on the Agency's position.

Mrs. Rogers indicated that WAPAC had spent much volunteer time in arriving at its recommendation and that she believed that this was another example of WAPAC's recommendations being ignored.

Mr. Wade Woods of WAPAC came forward and urged the Commissioners to proceed with the award on the parcel and suggested Mr. Omi could resolve the matter in court if necessary. He believed that it was the intent of the Agency's policy to give certificate holders an advantage and expressed concern that outside people were coming into the project and were attempting to take advantage of this policy. Ms. Blomquist indicated that the court would cause a longer delay than one week and she wished additional time to review the documents.

At this point, Commissioner Lee joined the meeting.

Mr. Arnold Townsend of WAPAC came forward and indicated that he had read the offering brochure and it specified that certificate holders have preference, all things being equal, and he believed that all things were not equal in this case. However, unless the staff had made some misrepresentation to Mr. Omi, this should be the prevailing consideration. He believed Mr. Omi would go to court in any event. President Wexler recalled that a three-week's delay had been granted to WAPAC at the last meeting on a matter regarding award of contracts to three minority firms and that the Commissioners were considering a one-week's delay only to consider legal questions. He believed some consistency should exist in the consideration given to each group's need for additional study time when there were serious questions brought up. He stressed that the Commissioners wished to take time to make the right decisions. Dr. Williams indicated he believed that WAPAC was not granted anything and that the Commissioners deferred action because they had problems with the matter. He urged that the Commissioners act on the matter. President Wexler indicated that the staff had requested further time to study the matter.

Mr. Isaac Guillory of Hargil Construction, Inc. came forward and indicated that his firm had acted in good faith based upon the Commissioner's designation of him as a developer of the parcel in question. He indicated that he had performed

SPECIAL APPEARANCES (continued)

in good faith in meeting the requirements for developers. He indicated that he had spent money for surveying the lot and had applied for a building permit to expedite development of the property. He believed that if this was a legal issue, he should be given time to consult with his attorney. He also inquired if this were the only parcel his opposition could develop, or whether others were available. President Wexler indicated appreciation for Mr. Guillory's remarks and responded that he would not comment on that question.

President Wexler indicated that since there was objection to the Rule of the Chair the meeting continuing the public hearing would be put to a roll call vote. He stated that an "aye" vote was for continuance of the hearing until April 19, 1977, and a "nay" vote was for not holding over the matter.

Mr. Lee asked that the Rule of the Chair be read again, and Secretary Helen Sause did so. Mr. Lee indicated that Mr. Townsend had alleged possible misstatement by staff and inquired what was meant. Mr. Townsend responded that the staff had erred in returning deposits to certain developers before the Commissioners had voted on the matter. He suggested other such errors could have been made but had no specific instance in mind.

On roll call, the following voted "Aye":

Ms. Shelley
Ms. Blomquist
Mr. Glickman
Mr. Wexler

and the following voted "Nay":

Mr. Lee
Dr. Williams

and the following abstained:

None

The President thereupon declared that the Rule of the Chair was sustained and the public hearing on Parcel 674-E, Western Addition Approved Redevelopment Project Area A-2, would be continued until April 19, 1977.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3706-R, Yerba Buena Center Approved Redevelopment Project Area D-1.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3706-R, Yerba Buena Center Approved Redevelopment Project Area D-1. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) A meeting was held today with attorneys Charles Stuhr, representing the Pacific Trade Center group, and George Choppelas, representing the W. C. Haas Construction Company, and a conference call is scheduled between Messrs. Choppelas, Haas, and himself to resolve disposition of the Haas interest in the joint venture. Mr. Hamilton indicated he would keep the Commissioners advised of this discussion and of progress being made.
- (b) The final draft has been received today of the Civil Service Commission's classification analysis and a report will be sent to the Commissioners.

NEW BUSINESS

- (a) Resolution No. 77-77 ratifying publication of notice of public hearing for Parcel 674-E and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Western Addition Approved Redevelopment Project Area A-2.

This item will be held over one week until April 19, 1977.

- (b) Resolution No. 78-77 ratifying publication of notice of public hearing for Parcel 3706-R and authorizing execution of agreement for disposition of land and improvements for private redevelopment and rehabilitation and other conveyance documents in accordance therewith, Yerba Buena Center Approved Redevelopment Project Area D-1.

This was the subject of the public hearing just held and concerns disposition of the Mercantile Center Building at 86 Third Street to T/W Associates for \$654,000. T/W Associates will rehabilitate the building, including (1) a ten-story addition for elevators and lobby, (2) three-story addition for building delivery and service area, (3) complete renovation with structural stabilization designed to meet City codes. Cost of rehabilitation is estimated at \$1,500,000. Also included is the sale of an adjacent 20' x 105' strip of land. Construction is expected to start 60 days from date of conveyance. There may be potential delay due to relocation of two existing tenants, the Rochester Big and Tall Clothing Store and Fox's Sandwich Shop; however, Mr. Hamilton indicated that efforts to meet with Mr. Robert Sokolov have been fruitless and that he had not responded to telephone calls. Mr. Sokolov indicated that this was untrue and that when he had received the 90-day notice he had spoken with Mr. John Friedman, Assistant Director of Residents and Business Services. Mr. Sokolov indicated his resentment that staff's statements were not challenged and that he had called the Agency three times and wanted the matter reported properly. Mr. Hamilton indicated that he had not personally tried to reach Mr. Sokolov but there had been a long relationship with Mr. Sokolov which he would report to the Commissioners. He noted that it was the Agency's duty to see that Mr. Sokolov's interests were protected. Mr. Hamilton assured Mr. Sokolov that future contacts would be confirmed in writing and that he would give the matter his personal attention.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (c) Resolution No. 79-77 approving Change Order No. 3 to Personal Services Contract No. HE-27, Converse, Davis, Dixon and Associates, Hunters Point Approved Redevelopment Project Area.

This represents an authorization to issue a \$40,000 change order to the \$320,000 contract with Converse, Davis, Dixon and Associates for soils engineering for additional retaining walls, miniparks on Sites 4 and 5, and Ridgtop Park construction, amounting to \$1,950,000 in additional construction costs. The original contract of December 1974 still has \$115,000 left to expend for work anticipated under the scope of services.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 83-77 approving and authorizing the Executive Director to execute Change Order No. 1 to the agreement for professional landscape architectural service with Wertheim, Vander Ploeg, and Klemeyer.

This item proposes a \$6,000 change order to the contract with Wertheim, Vander Ploeg and Klemeyer landscape architect to divide a major landscaping construction contract into two contracts. The work was bid as one contract in February but received no bidders, apparently because the size of the contract was too large. President Wexler asked if there was any certainty that by dividing the contract in half there would be bidders, or if it should be divided into smaller bid packages. Mr. Earl Mills, Project Director for Hunters Point and India Basin, indicated that at his request the landscape architect had contacted those picking up the bid packets after the first advertisement of the contract and these contractors had indicated that the contract was too large and that the work was to be done in a residential area and they were concerned about tying up men and equipment for a long period of time in such an area. He indicated, in response to President Wexler's inquiry, that there appeared to be contractors who would bid on the two contracts.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 82-77 authorizing payment of \$10.86 in settlement of a claim of William Nakamura, Hunters Point Project Area.

This represents settlement of a claim of \$10.86 to William Nakamura, a civil engineer at the Hunters Point site office, for property damage while in the course of Agency business. The damage involved his vehicle's tire and tube. Dr. Williams inquired why it was necessary to bring such items before the Commission, and Mr. Hamilton indicated that it was Agency policy to do so. Mrs. Jane Hale, Assistant Executive Director for Finance and Administration, indicated that doing so met certain HUD requirements and that the Agency was following the policy of the Board of Supervisors.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 80-77 awarding Site Improvement Contract No. 16 to O. C. Jones and Sons, Hunters Point Approved Redevelopment Project Area NDP A-5.

This concerns award of Site Improvement Contract No. 16 to the lowest of three bidders, O. C. Jones and Sons, for \$2,109,076.70. The contract was originally bid January 20, 1977 and Bay Cities Paving and Grading was the low bidder but

NEW BUSINESS (continued)

the Commissioners rejected all bids and the contract was rebid February 22, 1977. The work consists of site improvements for Housing Sites D and E and certain work on Site C, including site clearance, grading, subdrain and utility installation, and retaining walls and street construction. The affirmative action and safety hearings were held with the contractor and the contractor was found to be acceptable.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 81-77 travel authorization for Arnold W. Baker, Deputy Executive Director of Community Services.

This concerns the travel of Arnold Baker, Deputy Executive Director of Community Services, to travel to Washington, D.C. April 20 to 22, 1977 to attend meetings for the Human Resources and Relocation Committee of the National Association of Housing and Redevelopment Officials (NAHRO). These meetings are important in increasing awareness of public programs and policies while at the same time establishing a better working relationship between NAHRO, HUD, and other Federal agencies.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 84-77 travel authorization for Wilbur W. Hamilton, Executive Director.

This represents travel authorization for Wilbur W. Hamilton, Executive Director, to travel to Washington, D.C. on April 19 to 23, 1977 to meet with Secretaries Kreps of the Department of Commerce and Harris of HUD, in addition to other HUD officials on a number of issues pending in the HUD Central Office, including the application for "urgent needs" funds to construct the John Swett School in Western Addition A-2.

ADOPTION: It was moved by Ms. Shelley, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Proposed amendment to the WAPAC agreement for travel expenses.

Mr. Hamilton indicated that a \$1,500 amendment to WAPAC's contract is being recommended for the travel of Mrs. Mary Rogers, Messrs. Benny Stewart and Yori Wada to travel to Washington, D.C. to meet with Undersecretary of the Department of Commerce, Mr. Di Angelo, on April 21, 1977, and with Assistant HUD Secretary Robert Embry, on April 20, 1977. They also have appointments with Senators S. I. Hayakawa and Alan Cranston and with Congressman Philip Burton. They will discuss the community facilities building attached to the John Swett School which it is believed should be constructed as soon as possible in order to reinforce the changing character of the neighborhood.

Mr. Townsend indicated that he had arranged meetings for Mr. Wade Woods with Mr. Chet McGuire of HUD and suggested a fourth person be sent. Dr. Williams indicated it would be appropriate for Mr. Woods to go since he was President of WAPAC's Planning and Development Committee.

MATTERS NOT APPEARING ON AGENDA (continued)

President Wexler noted that staff had recommended that three people attend these meetings, and inquired about his recommendation. Mr. Hamilton indicated that the community representatives were those persons who could best represent WAPAC's interests on this matter. Mr. Glickman indicated that staff recommended the three persons to go and Mr. Hamilton concurred. Dr. Williams believed Mr. Woods should attend, even though it would cost another \$500.

MOTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that a proposed amendment be made to the Western Addition Project Area Committee (WAPAC) contract not to exceed \$1,500 for expenses in connection with the travel of Mrs. Mary Rogers, Messrs. Benny Stewart and Yori Wada to meet with government officials in Washington, D.C. from April 20 to 21, 1977 on matters pertaining to the community's need for the John Swett School's community facility.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Dr. Williams, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:10 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen L. Sause".

Helen L. Sause
Secretary

1 REDEVELOPMENT AGENCY OF THE
2 CITY AND COUNTY OF SAN FRANCISCO

3 Brian Tom, appearing for Courtyard Garden Investment Company makes
4 the following objection to the proposed disposition of Western
5 Addition parcel 674-E:

6 OBJECTION to the proposal of the Redevelopment Agency of the
7 City and County of San Francisco to enter into a proposed disposi-
8 tion for the sale of land in the Western Addition Approved Redevel-
9 opment Project Area A-2, being Western Addition Disposition Parcel
674-E.

10 The grounds of the objection are that the proposed disposition
11 of the property was not conducted in accordance with Resolution No.
12 103-67 adopted by the Agency on July 25, 1967 (exhibit "A"). Said
13 objection will be based on this notice of objection, the memorandum
14 of points and authorities below, the papers and records on file herein,
15 the resolutions of the Agency, and such oral evidence as may be pre-
16 sented at the hearing scheduled on April 12, 1977.

17 POINTS AND AUTHORITIES

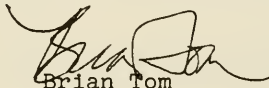
18 Resolution 103-67 provides for two categories of selling pro-
19 perty by the Agency. The first category is entitled "exclusive pre-
20 ferential offerings." These offerings, of residential parcels of
21 9,000 square feet or less, commercial parcels of 11,000 square feet
22 or less, and institutional parcels of 11,000 square feet or less,
23 "shall first be offered exclusively to persons, businesses, or insti-
24 tutions who demonstrate their eligibility to exercise a preference."
25 Under this first category of disposition of property the offering
26 must be restricted "for a specified period of time exclusively to
27 valid preference holders."

28 The second category of sale of property is entitled "non-exclu-
sive preferential offerings." These non-exclusive preferential of-
ferings are for "residential re-use parcels of over 9,000 square
feet, commercial re-use parcels of over 11,000 square feet, insti-
tutional re-use parcels of over 11,000 square feet, and unawarded
exclusive preference parcels. These parcels shall be made available
to the general public. However, it should be noted that the reso-
lution provides, even under this category, that preference certifi-
cate holders shall be given preference as follows: "When all other
agency-evaluated criteria are approximately equal, holders of valid
preference shall be granted priority consideration."

1 Under the offering made by the Agency of which Parcel 674-E
2 was a part, an "exclusive preferential offering" was not made even
3 though parcel 674-E is under 9,000 square feet, specifically 7562.5
4 square feet.

5 Conclusion: The Agency did not follow its own resolution re-
6 garding the offering of Parcel 674-E, and accordingly, the Agency
7 should void its proceeding regarding Parcel 674-E and direct the
8 Executive Director to the proceed in accordance with Resolution
9 No. 103-67

10 Respectfully submitted,

11 

12 Brian Tom
13 Attorney at Law

14 Dated: April 12, 1977
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 103-67
(Adopted July 25, 1967)

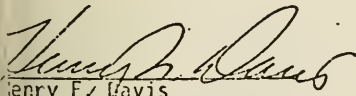
ADOPTING PROPERTY OWNER AND OCCUPANT PREFERENCE
POLICY FOR REESTABLISHMENT IN THE WESTERN ADDITION
REDEVELOPMENT PROJECT AREA A-2

RESOLVED, that it is the policy of the San Francisco Redevelopment Agency to extend to owners and occupants of properties in the Western Addition Area A-2, a reasonable preference to reestablish in the area, in accordance with the attached statement; and, be it further

RESOLVED, that Rules Governing Business Preferences adopted by Resolution No. 136-63, dated October 22, 1963, are incorporated herein and extended hereby; and, be it further

RESOLVED, that the Executive Director be and is hereby directed to implement this policy.

Approved as to form:


Henry F. Davis
Agency General Counsel

PROCEDURES FOR PROPERTY OWNER AND OCCUPANT
PREFERENCE FOR REESTABLISHMENT IN THE WESTERN
ADDITION REDEVELOPMENT PROJECT AREA A-2

ELIGIBILITY FOR PREFERENCE CONSIDERATION

Pursuant to Agency Resolution No. 103-67, every owner or occupant of real property in the Western Addition Redevelopment Project Area A-2 between October 14, 1964 and July 25, 1967 will be eligible for a preference for reestablishment in the Project Area. Eligibility may be established at any time.

Owners or occupants who are not obliged to move and are continuing to occupy structures which remain in the area do not have priority over owners or occupants obliged to move as a direct result of the operation of the program.

CERTIFICATE OF REESTABLISHMENT PREFERENCE

Every eligible owner or occupant who makes request of the Agency will be issued a certificate indicating that such person was a property owner or occupant of Area A-2 prior to the date of the adoption of Agency Resolution No. 103-67 and is therefore entitled to preferential consideration in the sale of A-2 property or lease or occupancy of new or rehabilitated structures in the A-2 area. Certificates are non-assignable and non-transferable.

Holding Lists

The Agency will maintain lists of certificate holders based on categories in which an interest has been expressed and will notify such certificate holders of the availability of apartments and commercial space for rent or lease, or in the case of cooperative housing for sale, and of cleared and rehabilitated properties for sale.

Disposition agreements will require developers to give preferential consideration to certificate holders who otherwise meet the requirements for occupancy of the development. Where lessors are not under disposition agreements, the Agency will actively encourage preferential consideration for certificate holders.

Term of Certificate

A certificate is valid for one year from date of issuance.

In order to be valid a certificate must be renewed at the Western Addition A-2 office in the 12th month of each year for additional one-year periods up to a maximum of five years including the first year.

A certificate may be used only once for one reestablishment.

PHASE OF PROPERTY

Exclusive Preferential Offerings

1. In the marketing of properties for development or rehabilitation, certain parcels shall first be offered exclusively to persons, businesses, or institutions who demonstrate their eligibility to

exercise a preference. These preferential offerings shall be limited to residential parcels of 9,000 square feet or less, commercial parcels of 11,000 square feet or less, and institutional parcels of 11,000 square feet or less.

2. When a disposition parcel or group of parcels in this category is ready for marketing, the Agency, in order to insure adequate notice to all those who may be eligible to exercise a valid preference, will advertise the offering in accordance with law, restricting the offer for a specified period of time exclusively to valid preference holders.

3. Notices of offerings will:

- (a) Identify the property;
- (b) State the minimum acceptable development;
- (c) State the method of sale;
- (d) Require ultimate use of the services of a licensed architect;
- (e) State generally the maximum acceptable time for start and completion of development;
- (f) Require evidence of financial ability and responsibility;
- (g) Require proof of eligibility for preferential consideration if not already submitted.
(See I. Eligibility For Preference Consideration)

4. Evaluation of the proposals submitted will be made exclusively by the Agency on the following criteria:

- (a) Compliance with the terms of the offering;
- (b) Where two or more proposals by preference holders meet the terms of the offering, selection will be made by drawing lots, with reasonable advance notice to all interested parties.

on-Exclusive Preferential Offerings

Residential re-use parcels of over 9,000 square feet, commercial re-use parcels of over 11,000 square feet, institutional re-use parcels of over 11,000 square feet, and unawarded exclusive preference parcels shall be made available to the general public.

Proposals submitted will be evaluated exclusively by the Agency on conformity of the proposed development with that stated in the offering.

When all other Agency-evaluated criteria are approximately equal, holders of valid preferences shall be granted priority consideration. As between preference holders, where all other factors are approximately equal, selection will be made by drawing lots, with reasonable advance notice to all interested parties.

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF APRIL 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of April 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following were absent:

Walter F. Kaplan
Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold G. Townsend, Mary Rogers, Benny Stewart, Ed Crocker, Gene Stancil, Wade Woods, and Teall Henderson, Western Addition Project Area Committee (WAPAC); Lyman Jee and Ralph Torello, Arcon/Pacific; Edgar Baker, San Francisco Apparel Mart; Brian Tom, George Omi, and Willie Lang, Courtyard Gardens; Isaac Guillory, George Wenkauf, and Tom Harrington, Hargil Construction, Inc; Victoria Meek, Peter Rooke-Ley, and Don Geddes, developers; William Shapiro, San Francisco Tomorrow; Douglas Engmann, Coalition for San Francisco Neighborhoods; Norman Smith, Black Business Association; Mollie Brenner, Essie Collins, and James Gibbs, Beideman Area Neighborhood Group; and James Finnigan, Lawrence Jacobs, and Henry Davis, interested citizens.

Representing the press were Donald Canter, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of a Regular Meeting of April 5, 1977 and the minutes of a Regular Meeting of April 12, 1977, as corrected and as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 674-E, Western Addition Approved Redevelopment Project Area A-2.

- (a) President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 674-E, Western Addition. Approved Redevelopment Project Area A-2. President Wexler indicated that this hearing was continued from the April 12, 1977 meeting. He invited Counsel for Courtyard Gardens, Brian Tom, to address the Commission. Mr. Tom noted that there had been a legal opinion from Agency General Counsel and requested that Mr. Edwards's comments be reported first.

SPECIAL APPEARANCES (continued)

Mr. Hamilton indicated that on behalf of Courtyard Gardens Investment Company, Mr. Tom had objected to the proposed disposition on the grounds that the property should have been offered in an exclusive preferential offering to holders of Certificates of Preference. He indicated that after evaluating the claim and legal counsel's opinion, he had concluded that the group was not entitled to preference. He suggested that Mr. Edwards comment on this decision.

Mr. Edwards indicated that it was the Agency's position that the policy statement in Resolution No. 103-67 which was based on the general policy of the Department of Housing and Urban Development (HUD) regulations and which lists as one of the considerations for preference eligibility "avoidance of exploitation by buyers who associate themselves with former A-2 owners and occupants for the apparent purpose of creating a technical priority" is applicable to the matter in question since a 25 percent certificate holder is insufficient to constitute justification of preference. There is also a question as to whether the same family having bought into the Nihonmachi has additional preference entitlement. Mr. Edwards noted that the Certificate of Preference was originally issued to Kay and Dorothy Omi and Mr. Omi became a developer and owner of property in the Buchanan Mall under the master Nihonmachi agreement; therefore, it appears that whatever rights he or his wife had to preference in acquiring property in the Western Addition A-2 area may have already been exercised by such development and purchase. He added that even if Mrs. Omi is entitled to a Certificate of Preference, her 25 percent interest in Courtyard Gardens Investment Company is insufficient to justify preference. It was Mr. Edwards's opinion that use of the Certificate under these circumstances renders the question moot as to whether an exclusive offer to holders of Certificates of Preference was or was not given.

Mr. Edwards indicated that Mr. Tom, attorney for Mr. George Omi, had objected to the proposed disposition of the parcel on the grounds that the property should have been offered in an exclusive preferential offering to Certificate of Preference holders rather than under the nonexclusive competitive conditions. Mr. Edwards indicated that although the objection was framed in terms of whether this offering should have been exclusive or nonexclusive, the crucial issue is whether or not Courtyard Gardens is entitled to a preference because of Mrs. Omi's Certificate of Preference. Mr. Edwards also noted that the parcel was announced as an offering to area-based developers known to all parties and Courtyard Gardens accepted it, then acted on the offering by bidding, but waited until the bids were opened before making any demand or objection to an exclusive offering not being made. In Mr. Edwards's opinion they waived any right to an objection by following the bidding procedure. He noted that there were other Certificate of Preference holders who participated in bidding on the seven parcels offered. Mr. Edwards believed that under the circumstances the "promissory estoppel" use of a separate offer was also supported. For these reasons, Mr. Edwards believed that award of the parcel should be continued as it was intended to Messrs. Guillory and Harrington.

Mr. Tom came forward and indicated that he wished to point out that the objection he raised last week was not addressed by Mr. Edwards. His objection was that the Agency was not following its own rules and regulations, and he stressed that this was the only objection that he had raised. He also indicated that he believed the public hearing was the proper place to bring up the matter. He stressed his point was that procedures were not followed. He believed that the promissory estoppel or waiver was not applicable when the Agency was not following its own rules, and it was his opinion that it was not incumbent upon parties to raise these objections at any point. Mr. Tom indicated that the resolution did

SPECIAL APPEARANCES (continued)

not provide for the raising of objections, therefore the public hearing was the proper place to do this. He alleged that the Agency never followed the procedure established in the 1967 resolution and there has never been an offering under exclusive procedures as provided for in the resolution. He had questioned Mr. Edwards as to whether in regard to this particular parcel the resolution had been followed, but he had not responded to the issue and he believed it incumbent on the Commissioners to direct the staff to adhere to the procedures established in Resolution No. 103-67, by rescinding proceedings up to this time regarding this parcel and by reoffering it properly.

Mr. Hamilton responded that he did not believe the issues brought by Mr. Tom were valid since it was a matter as to whether there was injury to his client. Mr. Hamilton indicated that Mr. Tom's client had not been injured and reiterated that the 25 percent interest of a certificate holder was below majority interest required for preference consideration. Mr. Hamilton recommended that the award to Guillory and Harrington be confirmed.

Mr. Tom indicated that it was inappropriate for the staff to focus on the rights of any one particular certificate holder and stressed that he was speaking of a process which was not followed and affected not only his client but any other certificate holder. He urged that the Commission follow the standards established in the resolution and that until these standards are changed they should be adhered to. President Wexler indicated that it was his understanding that the certificate holder had already exercised his preference and since there were no other applicants who were certificate holders reoffering the parcel would not alter the results in this particular case. Mr. Tom indicated that he did not know if this were so, and Mr. Gene Suttle, Area Director of Western Addition A-2, indicated that a Mr. Sakurai who had also previously exercised his preference rights had applied on this parcel and the one designated was Wesley Whitehead. Mr. Tom believed that staff recognized the problems that exist in the preference procedure and had proposed a revision of the procedures; however, he stated his belief that the old policies were binding until the new resolution was enacted.

Mr. Glickman inquired if Mr. Tom claimed that a 25 percent interest was sufficient under law, and Mr. Tom replied that he knew of no requirement limiting application to only a majority interest. He noted that this provision is applicable to rehabilitation parcels. Mr. Glickman asked him if he were aware of the relationships between parties, and Mr. Tom replied there were four people involved and he did not believe that this was anything germane to the issue before the Commissioners. Mr. Hamilton indicated that the majority interest requirement was stated in Resolution No. 103-67.

There being no further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-D, Western Addition Approved Redevelopment Project Area A-2.

- (b) President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-D, Western Addition Approved Redevelopment Project Area A-2.

Mr. James Finnigan came forward and indicated he represented several persons who own buildings designated as landmarks on Beideman Place, between Ellis and Eddy Streets in the Western Addition Area A-2. He indicated that it was his opinion

SPECIAL APPEARANCES (continued)

that the character of the street with its Victorians should be retained and alleged that these would be marred by construction of the proposed 12-unit building which would increase density and add to the already present parking problems on the 26-foot wide street. It was his thought that several Victorian structures were available that could be moved into the lot, which was directly across the street from his home, and if this were not possible, then he believed that lot should become a Victorian park. President Wexler asked if Mr. Finnigan owned buildings which he planned to move in, and he replied that he only had one he was fixing up on Beideman and that two other people wished to become involved in the project. He indicated that he had spoken with representatives of the company which recently moved the Victorians in Western Addition A-2 and was told buildings were available of the Victorian type. President Wexler inquired if the matter had been discussed with staff and Mr. Finnigan indicated that he had spoken with Mr. Willie Keys and other staff who indicated that additional buildings were available. He requested that the Commissioners delay their action for two weeks to research the matter. Mr. Suttle indicated that a number of buildings were being considered for moving but noted that on Beideman Place it would be impossible to move additional structures around behind the existing buildings.

Mr. Finnigan reiterated his belief that the street was too narrow for a 12-unit building and he opposed such density in a congested area.

Mr. Lawrence Jacobs of 2049 O'Farrell Street came forward and indicated that the parcel in question was behind his building and that it provides a fine view and urged that it be considered for use as a peaceful park. He was not opposed to construction on the property, however, the neighbors did not want the 12-unit building proposed. He indicated he had a certificate of preference since he had moved from Sutter Street, but due to his being financially unable to purchase property at that time he had been unable to purchase property at the time he was moved. He alleged that he had been improperly counseled about repurchase and expressed concern about the ability of a poor person to buy one parcel at the going price. He claimed that he was not told that he needed a certificate for purchase of the property. He believed that he and others could purchase it and maintain it for a community park. He indicated that he was unaware of what was happening until the last minute. He also believed the lot was wide enough to put a single Victorian there. He requested an extension of time so community people could get better counsel and more information on acquiring and maintaining the property as a park. He believed that there were enough people interested who would put up sufficient money to acquire the lot. President Wexler thanked him for his comments.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and indicated that she was a longtime resident of the area while Mr. Finnigan had just recently bought his property. She also observed that Mrs. Victoria Meek had made a similar proposal before and had not been designated as a developer. She urged that her proposal now be approved and noted that WAPAC was supporting her proposal. She indicated that the people who wished to use the property for park use did not understand the community's needs and that housing was the use to be given priority. She pointed out that there was already a park on Beideman Place.

SPECIAL APPEARANCES (continued)

Mrs. Victoria Meek came forward and indicated that the parcel had been available for development for some time and that she now wished to build a 12-unit structure on the lot. She indicated her willingness to cooperate with the neighborhood and noted that there had been a presentation of the schematics of the development which had not received any comment.

Mrs. Mollie Brenner came forward and indicated she owned the building at 45-47 Beideman Place and was interested in the neighborhood working together to complete the neighborhood's development. She was pleased to see people wanted to develop the area and indicated she had spoken with Mrs. Meek's architect a few days ago and had had no opportunity to speak with Mrs. Meek. She acknowledged that the property had been available for five years and noted that she had bought her own property three years ago but had not been able to afford developing it until recently. She indicated that a group of people was interested in developing this vacant parcel but needed two weeks to decide on what development would be consistent with the Victorian character of the area. She presumed that the matter could be worked out. She also questioned rents proposed for the Meek development and noted that \$370 for a two-bedroom unit and \$290 for a one-bedroom unit was beyond the means of most families. She believed that based on the rents the construction would be about \$35 per square foot for a total cost of \$650,000. She questioned the economics of the development.

Mr. James Gibbs came forward in support of Mrs. Meek's proposal and indicated that copies of her plans had been sent to people in the neighborhood for study and it was his opinion that the development was not only beautiful but was of high quality and style and would fit into the neighborhood. He believed it would be an asset to the community. He indicated he lived only a block a half away and had spoken to Mrs. Meek and found her to be a person of depth and understanding and one who would keep up her property. When she was unsuccessful in obtaining a parcel previously, many people hoped she would be able to find another parcel she could develop.

Mr. Arnold Townsend of WAPAC came forward and concurred in Mr. Gibbs's remarks. He indicated the efforts WAPAC had made to preserve the Victorian structures in the area and commented that there were few people who had participated in that effort. He noted that now Victorians were fashionable but few had been saved and were scarce. He indicated that since this was an urban area people should not expect to preserve open space and that 12 units was not high density. He indicated that if the people in the area had submitted a valid proposal either when the lot was offered or since that time, WAPAC would have unquestionably supported their efforts, but now Mrs. Meek was willing to come in with an excellent design which exceeded requirements in order to make the design fit into the area. He urged that Mrs. Meek's proposal be approved.

Mrs. Essie Collins came forward in support of Mrs. Meek and indicated she had proposed a quality that would fit into the area. There being no further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) In connection with Yerba Buena Center, everyone has concurred in the negative declaration of environmental impact for Plan Change No. 4; therefore, at an

SPECIAL APPEARANCES (continued)

early meeting a resolution will be calendared for the Commissioner's consideration setting the time and place of a public hearing on the Plan change. The change will permit use of a single parcel designated as "Business Services and Light Industry" to "Housing for Mature Adults". This will permit development to proceed on one of the four TOOR sites.

- (b) Also in connection with Yerba Buena Center, Chief Administrative Officer Roger Boas and City technical staff are moving forward to select the engineering and architectural consultant for the exhibit hall. He noted that staff is participating in this effort.
- (c) Mr. Hamilton indicated that in his absence April 20 to 22, 1977 while he is in Washington, D.C., Mr. Redmond F. Kernan, Deputy Executive Director for Planning and Development, will become Acting Executive Director.

NEW BUSINESS

- (a) Resolution No. 77-77 ratifying publication of notice of public hearing for Parcel 674-E and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Western Addition Approved Redevelopment Project Area A-2.

This was the subject of the public hearing just held and concerns a disposition of the 7,562 square-foot Parcel 674-E to Isaac P. Guillory and William P. Harrington for \$42,000 for construction of fifteen apartments with rents ranging from \$215 for a furnished studio to \$315 for a two-bedroom unit. The parcel is located on Sutter Street between Laguna and Octavia Streets and the \$300,000 estimated construction is expected to start as soon as the developer obtains a building permit.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 89-77 authorizing the Executive Director to enter into a disposition agreement with Victoria Meek and execute necessary conveyance instruments; and ratifying and confirming publication of a notice of public hearing; all in connection with the sale of Parcel 1100-D, Western Addition Approved Redevelopment Project Area A-2.

This was also the subject of a public hearing just held and concerns a disposition agreement with Victoria Meek for \$28,800 for an 11,970 square feet parcel on the east side of Beideman Place between Ellis and Eddy Streets. Mrs. Meek will erect a 12-unit building of one and two bedroom flats in six two-story wood frame buildings over double garages. Construction cost is estimated to be \$397,000 and can start within three or four months. Rents will range from \$290 to \$370 and WAPAC has concurred in the proposal. Mr. Hamilton indicated that the parcel was originally offered but with no takers in October 1975 and then in January 1977 after Mrs. Meek expressed interest in developing the parcel this was negotiated with her. In response to Mr. Wexler's inquiry Mr. Hamilton indicated that a study was made of the possibility of moving Victorians into the area but it was found to be physically impossible to accomplish. He noted that the architectural division indicated that the preliminary drawings are compatible with the character of the neighborhood.

W BUSINESS (continued)

President Wexler concurred in the recommendation that Mrs. Meek be awarded the parcel and inquired if this award precluded her from meeting with staff to explore the comments raised by the community on lower density. Mr. Hamilton replied that this could be done. Mr. Hamilton recommended that lower density not be a condition of the award. He indicated that consultation would be held with her architects and the results reviewed by WAPAC. Mr. Lee indicated that he was pleased with the plan and thought it was beautiful. Mr. Glickman inquired if the award were made would there be a period of time within which construction is required to start, and Mr. Hamilton responded that there was no set requirement but usually it is from three to four months' time after conveyance. Mr. Glickman inquired about a schedule for occupancy of the property, and Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, replied that the disposition agreement provides that evidence of mortgage financing be available September 15, 1977 and it is anticipated that construction will start 30 days after the close of escrow which is October 15, 1977. President Wexler indicated that there was no express interest in reducing the number of units and suggested that the density be reviewed.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 88-77 terminating a contract for consultation and reuse appraisal services applicable to all San Francisco redevelopment project areas.
- (d) Resolution No. 87-77 authorizing the Executive Director to execute a contract for consultation and reuse appraisal services applicable to all San Francisco redevelopment project areas.

Mr. Hamilton requested and received permission to consider both these items together. The first item terminates the contract with Real Estate Research Corporation at the firm's request because it is closing its San Francisco offices on May 1, 1977. Their original contract in 1971 was for \$30,000 and extensions in 1974 and 1977 brought the total contract to \$48,000. There is currently a remaining balance of \$9,279 under the present agreement. The second item deals with a contract with Mr. James Porter, a former employee of Real Estate Research Corporation who handled Agency assignments, for an amount not to exceed \$25,000 through April 1, 1979 for services on economic, reuse and marketing consultation.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that these resolutions be adopted.

- (e) Resolution No. 90-77 amending Section V.F.3 of the Agency Personnel Policy relating to compensatory time.

President Wexler indicated that this resolution would be held over for one week.

- (f) Consideration of status report on Lyman Jee, Yerba Buena Approved Redevelopment Project Area.

President Wexler indicated that as a point of personal privilege he would not

NEW BUSINESS (continued)

participate in the matter considered because he was concerned that there might be an appearance of a conflict of interest. He indicated he had discussed this with the Agency Counsel, Tilden H. Edwards, in whose opinion the matters did not constitute a conflict of interest. However, Mr. Wexler stated that because two of the clients his firm represents, John E. McConnaughly Jr., and Homberg Tang, are limited partners in the Pacific National Equity Company which has been assisting Mr. Jee in his attempt to secure financing, he would step down from the podium and not participate. President Wexler turned the Chair over to Vice President Shelley. Ms. Shelley assumed the Chair and asked if there was a staff report on Yerba Buena Center. Mr. Hamilton indicated that Mr. Lyman Jee was present and would make a status report regarding the Market Street Tower and Apparel Mart. He indicated that Mr. Jee had requested a 180-day extension of the Disposition Agreement for these two developments effective April 11, 1977 but has now withdrawn that request. It is anticipated that his presentation will more clearly indicate the reasons for this decision.

Mr. Lyman Jee of Arcon/Pacific came forward and reaffirmed that he had requested an extension but noted that there were a number of major modifications to the YBC Plan which affected the Market Street Tower theme building and Apparel Mart that were not now clearly defined. The City's proposed evaluation of the Central Blocks has raised a number of issues including the provision of parking and a possible conflict with retention of the Pacific Gas and Electric substation and the Mercantile Building at Third and Mission Streets. In order to analyze these issues in relation to the two buildings he proposed to build, Mr. Jee wished to have additional time to formulate his schedule for development. He indicated he was eager to start and the financial equity sources are presently developing a firm commitment and application for a loan and a building permit have been made. Mr. Jee noted that Mr. Edgar Baker, representing the West Coast Salesmen's Assoc. was present and would be available to answer questions. He noted that this group would be the major tenant in the Apparel Mart. Mr. Jee indicated that he was in the process of completing the working drawings on the buildings and had brought in two working models to indicate the progress on the projects. Present plans are to complete financing and the plans within six months' time. Mr. Jee also noted that Mr. Ralph Torello of Pacific National Equity was present also, if the Commissioners wished to question him on the financing of the project.

Mr. Hamilton indicated that during the past weeks he had met with Mr. Jee and other principals of Arcon/Pacific and representatives of the Pacific National Equity and Apparel Mart to consider their position and interest. He indicated that there were complex issues which must be resolved and negotiations are continuing. Some of these issues resulted from the Mayor's Select Committee's report on Yerba Buena Center. He believed that the issues were now being thoroughly evaluated and proposed that Mr. Jee be extended 30 days during which time negotiations will continue with regard to the development for the Market Street Tower, Apparel Mart, and consideration be given to Mr. Jee's rights on the other sites.

Mr. William Shapiro of San Francisco Tomorrow came forward and indicated that the group's executive board had voted 12 to 1 to make a recommendation to the Agency on behalf of its members. They urge that the Agency permit no further extension of time on the Apparel Mart and shift its location across Third Street to provide adequate room for the urban theme park recommended by the Mayor's Committee. He noted that Mr. Jee has had many extensions and alleged that Mr. Jee has done nothing. He indicated that the Mayor's Select Committee had held hearings and people supported more open space and low rise buildings and development

NEW BUSINESS (continued)

of the area in ways oriented toward people. He again urged moving the Apparel Mart.

Mr. Douglas Engmann, the representative of the San Francisco Coalition for Neighborhoods on the Mayor's Select Committee for Yerba Buena Center, came forward and indicated that Mr. Jee has had nine months to negotiate and develop the Apparel Mart and has failed. The Mayor is moving forward on the convention center and he believed that Mr. Jee's plan does not agree with that of the Mayor's Select Committee. He noted that he had opposed the extension granted Mr. Jee last December and urged that he not be given another extension of 180 days.

He suggested that the disposition agreement be allowed to expire. He believed a new agreement should be executed which incorporates the Mayor's Committee's proposal, and that by extending Mr. Jee's disposition agreement the Agency is extending his right to develop the project or his right to sue the Agency. He believed Mr. Jee had no further rights to extensions, and that such extensions put the Agency and City in a poor negotiating position with Mr. Jee. He also urged the Agency to look into the feasibility of an Apparel Mart, since Mr. Mel Swin is planning to renovate and expand the existing Apparel Mart on Market Street. He also suggested investigating what kind of Environmental Impact Report (EIR) was to be required as a result of Mr. Jee's Apparel Mart. He indicated that the City Attorney's opinion indicated that a new EIR would be required and its preparation would delay the project for one year more. He claimed Mr. Jee was holding up development of the Central Blocks and the Tivoli Garden-type use in the project.

Mr. Hamilton responded that on the question of feasibility of desirability of terminating Mr. Jee's interests has been given careful consideration and Agency General Counsel Edwards has advised that he did not believe the legal interest of the Agency would be served by termination of Mr. Jee's disposition agreement nor termination of his other negotiating rights. On the issue of the feasibility of the Apparel Mart, Mr. Hamilton indicated this was investigated and meetings have been held with Mr. Baker on the feasibility of securing tenants and the West Coast Salesmen's Association appears to be supportive of the development. Regarding the issue of the EIR, meetings have been held with Chief Administrative Officer Roger Boas and the Area Director of HUD, James Price, and the Apparel Mart in its present location does not require an EIR; however, should it be moved, then a new EIR would be required. Mr. Hamilton recommended that Mr. Jee's disposition agreements for the Market Street Tower and Apparel Mart be extended for another 30 days.

MOTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the disposition agreement for Mr. Lyman Jee be extended for thirty days from April 1, 1977 to continue negotiations relating to the Yerba Buena Center Central Blocks.

Vice President Shelley welcomed President Wexler back to the Chair.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration of liability insurance coverage with Canadian Indemnity Company. Mr. Hamilton indicated that present liability insurance coverage carried by Hallmark Insurance Company at an annual premium of \$165,000 will not be renewed when it expires April 19, 1977. A new company has been secured by the Agency's broker, Johnson and Higgins, today, and Canadian Indemnity Company will provide coverage at an annual premium of approximately \$110,000, which may be decreased.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the Agency's liability insurance coverage be carried by the Canadian Indemnity Company.

Mrs. Mary Rogers came forward and questioned if minority insurance firms had been invited to submit proposals on this insurance and inquired about the method used to advertise this item. Mr. Hamilton indicated over 40 firms had been contacted when this insurance had been sought the previous year and no minority firms expressed interest. Mrs. Jane Hale, Assistant Executive Director for Finance and Administration, reaffirmed that no minority firms had expressed interest and only one bid had been received. The need for this particular coverage had come up quickly since it had just been learned that the present firm would not renew its coverage. Mrs. Hale noted that forty firms turned down the Agency's insurance and that the proposal just received was a good placement. Mrs. Rogers expressed concern that minority firms had not been notified, and Mr. Hamilton indicated that other policies had been recently placed with Mrs. Lavonia Baker's minority firm without soliciting bids. Ms. Blomquist indicated that since there was so little time in this instance and the insurance was difficult to place, the Agency was fortunate to find a carrier. Mrs. Rogers reiterated her point advocating use of minority firms and Mr. Hamilton indicated that the Agency was not resistant to the issue but the Agency needed coverage and was turned down by minority firms before. Mrs. Hale indicated that a list was to have been made of insurance brokers which included minority firms and this was used in seeking proposals for the Agency's insurance. Mr. Hamilton inquired if Mrs. Rogers wished expansion of the list citywide and indicated that he would be pleased to send her the list used by the Agency in soliciting proposals. Mrs. Rogers indicated she had the list.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:45 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF APRIL 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of April 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

DOCUMENTS

APR 27 1977

SAN FRANCISCO
PUBLIC LIBRARY

and the following was absent:

Walter F. Kaplan

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Wade Woods, Ed Crocker, Zita Johnson, and Dexter Woods, Teall Henderson, Benny Stewart, and Richard Hayes, Western Addition Project Area Committee (WAPAC); Willa Jones, Bayview-Hunters Point Joint Housing Committee; Mike Painter and M. Overhoff, Michael Painter and Associates; Greg Oliver, Mayor's Office of Economic Development, Judge Leland Lazarus; Mike Davis, Mayor's Select Committee on Yerba Buena Center; David Mischel, Mischel Construction; Willie Ballard, Willie Ballard Contractor; Dave Garrison, Garrison Construction; Robert Sokolov, Rochester Big and Tall Clothing Store; William Shapiro, San Francisco Tomorrow; Richard Gryziec, Architect, A. Riis-Magnussen, Maria Galatti, Dr. James Delameter, Emery Curtis and Wesley Whitehead, interested citizens.

Representing the press were Donald Canter, San Francisco Examiner; and John Tinsley, KPOO FM Radio.

SPECIAL APPEARANCES Presentation of Urban Theme Park Concept for Yerba Buena Center
by Richard Gryziec, Architect and Planner.

- (a) Mr. Richard Gryziec, Architect and Planner, came forward and commented on his background as a San Francisco resident for twelve years. He had been an advisor to the Citizens' Waterfront Committee when it prepared its proposal for the Embarcadero Gardens located near the Ferry Building. He was also a past board member of the San Francisco Tomorrow group. He provided the Commissioners with further information on his education and projects he had participated in around the country which showed extensive experience with pleasure parks. He indicated his purpose in being present today was to present his concept for a San Francisco equivalent of Copenhagen, Denmark's Tivoli Gardens. He indicated that he had previously submitted this proposal to the Mayor's Select Advisory Committee on Yerba Buena Center and after considerable investigation, discussion and community hearing, the Committee by

SPECIAL APPEARANCES (continued)

a two-thirds majority endorsed the concept of a pleasure park to be located on the 17 acres of the Yerba Buena Center's Central Blocks. He indicated that he had gone to Copenhagen and met with the developers and managers of Tivoli Gardens and obtained detailed information on financing, management, and other data applicable to a similar park in San Francisco. In his opinion, Mr. Gryziec believed that the Agency's previous plans for Yerba Buena Center were unworkable and instead of providing revenue for the City, would cost money to operate. His scheme, however, would not only bring people into the downtown area in the evening hours where they could walk to the park from hotels and offices nearby but it would provide many social benefits including 2,000 full-time jobs and more open space. It would also have a beneficial influence on other elements of the YBC Plan such as housing, the apparel mart, sports arena and convention center, and bring in several million dollars to the City which could be used in the rehabilitation of the area. He indicated that his concept had support and interest from Mayor George Moscone; John Jacobs of the San Francisco Planning and Urban Renewal Association (SPUR); FM Production; Bill Graham, entrepreneur; and had elicited more public support than any of the other plans proposed by the Mayor's Select Committee for Yerba Buena Center. He quoted the Mayor's statement offering his personal guarantee that should the Mayor's Committee by majority recommend that an exhibit hall be constructed, he would do the utmost in his power to obtain a qualified developer for an appropriate urban theme park to be located on the surface of the two Central Blocks of Yerba Buena Center, and would also guarantee that an honest and thorough evaluation be made of costs substantially depressing the exhibit hall within the cost limit of \$85 million.

Mr. Gryziec indicated that in order to provide an adequate area to construct the park, the apparel mart should be moved east of Third Street. He indicated that so far the concept of a pleasure park has had no consideration by any City agency. Mr. Gryziec then presented slides showing the Tivoli Gardens and provided data on the amusement area. He commented on the fact that it was close to hotels and the center of town and was leased and operated by one person who in 1972 was able to show a profit of over \$1.5 million. He noted that a small admission charge had the psychological effect of keeping people from trashing the park and permitted entry of those who only wished to enjoy the park and not participate in the amusement activities. He indicated that the City of Copenhagen owned the land and leased it to the operator who in turn provided the revenue to the City. Copenhagen oversees the park and any changes must be approved by that authority. No more than 25 percent of the land can be built upon. He indicated that the admission fees also pay for security and maintenance of the park. He enumerated the various amusements and uses which the park provided for the people of Copenhagen and stressed his belief that a similar park would be suitable for San Francisco, and could provide financing for the sports arena which is now to come from tax increment financing and public money.

Mr. Gryziec recommended that the City lease the land and that a financial analysis of the development indicated that it could be financed by adding \$10 million to the \$145 million lease revenue for the project which would require a \$12.2 million annual debt service. His evaluation showed that after five years, the park would produce a profit of about \$1.5 to \$3.25 million a year. He urged that the Commissioners consider authorizing staff to conduct a complete market test of the pleasure park concept and ask Chief Administrative Officer Roger Boas to work with the Agency in planning the exhibit hall so it

SPECIAL APPEARANCES (continued)

and the park could complement one another, physically and financially. He also asked that the park be included in any EIS/EIR that may be initiated in the near future.

Mr. Glickman indicated that he would like to read the material carefully which Mr. Gryziec had provided to the Commissioners and asked him if he could return for further discussion if necessary. Mr. Gryziec agreed to do so.

President Wexler Inquired if there were currently any on-going discussions with Mr. Graham and Mr. Gryziec replied that there has been no indication of real support on the part of the Agency for the theme park, therefore he had not pursued the matter with Mr. Graham.

President Wexler asked if Mr. Gryziec knew whether Mr. Graham had pursued the idea of a theme park as proposed for the Embarcadero Garden development, and Mr. Gryziec replied that he believed Mr. Graham had considered a site within the city other than Yerba Buena Center but had decided it was too controversial. He also believed that he was considering another site outside San Francisco but had found it to be too difficult physically and financially, therefore he understood that the proposal was in abeyance at present. President Wexler asked about parking, and Mr. Gryziec responded that one of the benefits of the pleasure park development was that most of the people coming to the park would do so during the evenings and on weekends. The study of Tivoli Gardens indicated that approximately 70 percent of the patrons used the park after 6 p.m. When the study was done for the Embarcadero Gardens it was learned that existing parking lots and private garages were adequate to handle 1,000 cars, but such a study has not been done for Yerba Buena. This is a smaller site than proposed for Embarcadero Gardens and further, it is anticipated that people would come on public transportation or walk from nearby offices and hotels. President Wexler thanked Mr. Gryziec for his slide show presentation and comments.

Mr. Wade Woods of the Western Addition Project Area Committee (WAPAC) came forward and with reference to Mr. Graham questioned whether Federal money could be used to relocate an entity and take its revenue to another area. President Wexler indicated his understanding that Mr. Graham proposed to develop the pleasure park in addition to his activities in the Western Addition, and Mr. Hamilton concurred and noted that Federal monies would not be involved since Mr. Graham is out of the Western Addition A-2 project boundaries. Mr. Gryziec indicated that he did not believe that the Federal funds used to carry out the Yerba Buena Center project made the issue relevant since his proposal was based on the Agency's conveying the land to the City which in turn leases it to a private operator.

Mr. Mike Davis came forward and identified himself as one of the persons on the Mayor's Select Committee for Yerba Buena Center. He indicated that Mr. Gryziec's idea was discussed and the Tivoli concept had a great deal of support. He urged local control of the land be maintained. He also indicated that it was anticipated that the pleasure park would provide 1,100 to 3,000 jobs. He commented that the economic base of San Francisco was tourism and the park would enhance this use. He thought the concept would provide a showcase for the city but reiterated that the city should control such a cultural park in downtown San Francisco. He noted that the economic analysis developed by the Mayor's Economic analysis staff showed that the park was financially

SPECIAL APPEARANCES (continued)

feasible and he requested that the Agency study the proposal further. He stressed his belief that people in the periphery of the project area wanted to see activity of this type in the project.

Mrs. Maria Galatti came forward and indicated that she was an officer in a Noe Valley organization and had worked with many community groups and knew of the problems existing in San Francisco, which she believed resulted largely from the high employment. She indicated that Mr. Gryziec's pleasure park would be ideal for unemployed young people from 19 to 20 years old to work in. She praised the concept and believed that both tourists and residents of the city would benefit and also noted the central location which would make it easy for people to get to.

Mr. A. Riis-Magnussen came forward and indicated his familiarity with Tivoli Gardens in Copenhagen and noted that his father was an accountant who handled the business concessions there. He indicated the park was a money-maker and that Mr. Walt Disney had based Disneyland on the Tivoli Gardens concept. He indicated that the park had stockholders who received 10 percent annually on their investment on a park, even though it is open only from May to September each year. He indicated that Mr. Gryziec's theme park could provide a dramatic entrance to the area from Market Street and that it would be attractive for the refreshment of shoppers.

Mr. William Shapiro of San Francisco Tomorrow came forward and urged that the Agency make a decision on the park. He indicated the pleasure park would provide open space for people, as well as jobs, and support housing for the elderly. He stressed his belief that the Agency should look into the concept further. He endorsed the concept on behalf of his organization and requested that a fair and true market test be given the idea. He also urged that there be close coordination with the city on the design elements of the Central Blocks and also that the park be included in the EIR and EIS reports.

Judge Leland Lazarus came forward and indicated he chaired the Mayor's Select Committee on Yerba Buena Center and praised the work the Committee had done. He indicated that he did not advocate any particular plan but noted that this one plan had aroused more interest and discussion than any other proposal. President Wexler thanked Judge Lazarus for his comments.

Presentation on Ridgetop Park, Hunters Point Approved
Redevelopment Project Area

- (b) President Wexler indicated that this would be held over.

Public Hearing to hear all persons interested in the
matter of the proposed transfer and conveyance of
Parcel 1129-E, Western Addition Approved Redevelopment
Project Area A-2.

- (c) President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1129-E in the Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

SPECIAL APPEARANCES (continued)

Public Hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 677-G, Western Addition Approved Redevelopment Project Area A-2.

- (d) President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 677-G, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Department of Housing and Urban Development (HUD) has advised that the question of the Bay Cities Paving and Grading safety record which was raised by the Hunters Point community be formulated into a complaint for HUD staff to review. Such complaint has been drafted and is being considered for transmittal to HUD with a recommendation that temporary suspension of the firm be considered.
- (b) Yesterday oral arguments were started in connection with the Starr suit in Yerba Buena Center and since briefs have yet to be filed a decision is still several months away.
- (c) Mr. Hamilton reported that he had just returned from a trip to Washington, D.C. where he and WAPAC representatives had met with the staff of HUD and the Department of Commerce, Congressman Philip Burton, and Senators Alan Cranston and S.I. Hayakawa regarding funding for the community facilities building for the John Swett School in Western Addition A-2. Legislation is pending before Congress for a Public Works Bill which may provide the necessary funding. A more detailed report will be sent to the Commissioners shortly.

UNFINISHED BUSINESS

- (a) Resolution No. 75-77 ratifying and approving action of the Executive Director in soliciting bids in connection with rehabilitation of Agency-owned structures on Lots 4, 3, 34, and 27 in Block 1127 in Western Addition Approved Redevelopment Project Area A-2; awarding contracts to Willie Ballard, David Mischel, and Garrison Construction on the basis of low bids received; and authorizing execution thereof, 1207 Scott Street, 1211 Scott Street, 1213-15 Scott Street, and 1917 Scott Street, respectively.

Mr. Hamilton indicated that this was first presented at the meeting of April 5 1977 and concerned award of four contracts in response to bids for rehabilitation work on four properties in Western Addition A-2. Three of the four low bidders are minority firms and all have previously worked for the Agency and are fully bondable.

UNFINISHED BUSINESS (continued)

At a previous meeting discussion ensued on the possibility of using "sweat equity", or having purchasers buy properties for a nominal sum and then doing the required code work themselves, in so far as they were able to, with the possible restriction of electrical and plumbing work which necessitates having a licensed contractor perform the work. Mr. Hamilton indicated that staff had explored the sweat equity possibilities as requested by the Commissioners and in discussion with Mr. Andrew Anderson of the Bank of America regarding possibilities of alternate financing, staff was informed that the city of San Jose had attempted to use this approach. The San Jose experience had not been successful. It was Mr. Hamilton's belief that in this particular case, the buildings were in such an advanced state of dilapidation that 95 percent of the work was code required and therefore beyond the capability of an owner to complete under a sweat equity arrangement. He indicated that Mr. William McClure, Chief of Rehabilitation, and Mr. John Powers, the inspector from the Bureau of Building Inspection assigned to Western Addition A-2, and they together with WAPAC had inspected the structures. Mr. McClure indicated that 95 percent of the work needed was code work and there were only a few items such as door buzzers, roughing in of plumbing and wiring for washers and dryers, mail slots, and installation of a rear deck that were not required by code.

Dr. Williams asked what the distinction was between code work and sweat equity and Mr. McClure replied that sweat equity referred to work the owner could possibly perform himself, such as painting, and cleaning or laying floor tile which does not require a licensed contractor. President Wexler asked what the percentage of the work on these buildings could be sweat equity as to work done by the owners, and Mr. McClure replied it depended upon what qualifications for craft work the owner possessed. Mr. Glickman indicated he was concerned about letting people live in buildings that were dangerous and asked about the difference between work necessary to correct code deficiencies and work to eliminate life hazards. He thought WAPAC's inquiries should have been directed to determining what work was necessary for the safety of people and asked if there was a possibility people could bring the buildings up to code first before occupying them. He commented that the costs involved in code work could still be so costly that it would be beyond the means of most people in the community.

Mr. McClure indicated that the buildings in their present state were very badly deteriorated and major work had to be done for the purpose of making them habitable. Mr. Glickman expressed concern about the mechanisms available and suggested that standards may have to be changed to permit people to come back into the community and not benefit contractors, who usually charged high prices. Mr. McClure indicated that the Agency's rehabilitation standards established the work to be done and these standards would have to be amended if there were any changes in these requirements. Mr. Glickman suggested that the standards be reviewed to see what effect would result from lowering them on rents, since the only way he could vote on this item was to save the buildings from demolition. Mr. McClure indicated that in order to foster homeownership in the Western Addition, there were 38 units which would lend themselves to condominium conversion in a price range from \$25,000 to \$36,000 using the Mark-Foran Bill which provides from 5-3/4 to 6-3/4 percent interest. Mr. Glickman inquired how large these units would be and Mr. McClure indicated that they would be studios to three-bedroom units and there were 15 two-bedroom or larger units. Mr. Glickman strongly suggested that other alterna-

UNFINISHED BUSINESS (continued)

tives be found and acknowledged a problem existed for the contractors who had bid, but expressed his belief that the community's way of life must be maintained. Mr. McClure indicated that there would be some concern on the part of other property owners who had already spent money and effort in rehabilitating their buildings to Agency standards. Mr. Glickman indicated that he was not suggesting that the rehabilitation not be to a sufficient standard to maintain property values, but only that a different method be found of doing the work whereby the people could do the work themselves and not be excluded from living in the community. He stressed his belief that this was a new philosophy which the staff was to pursue further. Mr. McClure indicated staff would continue to work on the problem.

Mr. Hamilton noted that the bids on the buildings expire on a staggered basis and the bids on 1213-15 Scott Street will expire May 1, 1977 and the other three on 1207 and 1211 Scott, and 1917 Ellis Street, will expire on May 3. The 1213-15 Scott Street building has had fire damage. It was Mr. Hamilton's opinion that these could be acted upon at the May 3 meeting, but he believed that it was preferable to rebid the work on 1213-15 Scott Street because of the recent fire damage to the Building. He also indicated that further analysis was needed to respond to the questions raised by Mr. Glickman and Dr. Williams regarding the distinction between work to correct code and that to correct life hazards and identification of the costs to both. He recommended that the bids on 1213-15 Scott be allowed to expire and consideration of the other bids be postponed one week.

Ms. Shelley commented that the relationship between code and sweat equity needed to be clarified. Mr. Lee indicated his belief that whether the work was rebid or not, the approach to the plans and specifications and how certain materials were specified was a primary consideration since these could be either of inexpensive or expensive materials. Mr. McClure responded that it was not just a matter of looking at the physical materials but one of the marketability and financing. Quality restoration enhances the buildings and increases their value which justifies the cost of rehabilitating them. This makes such renovation projects feasible.

President Wexler stressed his concern about enabling people to live in the community again and urged that a solution to the problem be found to enable this to occur while at the same time seeing the occupants are not endangered by unsafe building. He also did not want to see the value of surrounding buildings decreased. He indicated that was the kind of information the Commissioners needed. Mr. Glickman commented that it appeared Mr. McClure had directed his energy to the aspects of renovation which would increase the marketability and sales of the buildings and that was what he was requested to do, but the Commissioners were less concerned about selling the structures for the highest price possible than about making them habitable. He asked if this information could be provided them within a week's time. He stressed his belief that this was a change in the Agency's philosophy. Mr. McClure indicated that ways could be found to cut costs and proposed, for example, installing less expensive aluminum window frames instead of wood sash, and Mr. Glickman indicated that people could provide for this type of work themselves but not the electrical or plumbing work. He reiterated his belief that the emphasis should be on life hazards' corrective work. Mr. McClure indicated that the buildings were in a state of advanced deterioration and suggested that the Commissioners might be interested in going through them before making

UNFINISHED BUSINESS (continued)

a decision. He noted that there were 200 buildings left to be rehabilitated in the project and asked for clarification, since the Commissioners appeared to be suggesting a major shift in policy from the standards the Agency had adopted. Dr. Williams suggested that the proposal to modify the Agency's policy could be thought of as a variance and recommended that a new procedure be developed for the remaining 200 buildings.

Ms. Shelley inquired about the reason for letting the bids lapse on 1213-15 Scott Street, and Mr. Hamilton replied that this building has sustained considerable damage from a fire and there was a question of insurance adjustment and the cost of the additional work now required as a result of the damage. He recommended that it would be preferable to rebid that property.

Mr. Arnold Townsend of WAPAC came forward and indicated that regulations did not require code work to be done by any particular person nor that the Agency has to do these particular buildings first. He indicated previously other buildings were sold in an "as is" condition and people purchased them and brought them up to code before they moved in. He noted that these purchasers found contractors to do the work that owners could not do and that this could be credited as sweat equity. He alleged that when a contractor does work for the Agency, he charges more and then people cannot afford to buy the rehabilitated buildings. He suggested that after the owners have done the work it could be inspected and also their work could be supervised so it would be done correctly. He expressed the belief that people could do the work cheaper by working for less than union wages. He commented that there were no certificate holders in the purchasers of the Victorian buildings moved and sold to the Foundation for San Francisco's Architectural Heritage group for \$500, and which are now worth between \$80,000 and \$100,000. He noted that WAPAC is contacting Senator Milton Marks regarding the limit of \$30,000 per unit on funds borrowed under the Marks-Foran Act. He noted that this limit was adequate for an apartment unit but not for a single-family residence which would cost more to rehabilitate. He also indicated that there should be an investigation of the use of a loan program being used in Oakland and again stressed WAPAC's desire to increase ownership for community residents. President Wexler asked him if he had any idea of the percentage of code work to be done on the four buildings versus the life safety work, and Mr. Townsend replied negatively, indicating that WAPAC had gone through the buildings with Mr. Powell from the Bureau of Building Inspection but indicated his belief that Mr. Powell has his own ideas on how work must be done. Mr. Townsend believed that more time was needed and suggested that someone else do the inspection.

Mr. McClure indicated that the last ten buildings which were offered for sale had been purchased by certificate holders and represents over 100 units, and that staff was helping them with plans and financing.

Mrs. Rogers of WAPAC came forward and indicated that a code violation was hazardous to life and limb and stressed the kind of work she believed people could do and should be permitted to perform which included some code work. She asked that all bids be rejected.

UNFINISHED BUSINESS (continued)

Mr. Wade Woods of WAPAC came forward and suggested that these buildings be sold in "as is" condition, and Mr. Gene Suttle, Area Director for Western Addition A-2, responded that all others were sold in "as is" condition but these four had been so deteriorated that they were recommended for inhouse rehabilitation. President Wexler inquired if the Commissioners adopted the approach of the Agency's taking responsibility for performing major work items and leaving other areas to individual purchasers to complete would necessitate amending the Rehabilitation Standards.

Mr. Hamilton indicated that two issues were involved; the first is the fiscal aspect of the Agency taking responsibility for correcting the major deficiencies using licensed contractors to perform the work before the property is conveyed. He noted that this may mean that the costs for this work would have to be recovered in the sales price. The other issue is whether the Agency could convey property without requiring those things necessary to bring the building up to the rehabilitation standards. At present the disposition agreement sets forth work to be done even for those buildings sold in "as in" condition. If the Commissioners wish to lower the rehabilitation standards, they could modify the existing policy. President Wexler noted that it appeared to be WAPAC's position that the present standards were too restrictive, or that some mechanism needed to be developed to transfer buildings to owners at an early stage. Mrs. Rogers indicated that rehabilitation standards of the agency exceed what the City code requires and involve cosmetic work. She urged that the Agency lower its standards for rehabilitation work and develop a program to bring home ownership within the reach of community residents.

Mr. Emery Curtis came forward and indicated that the work could be segregated from correction of items that represented hazards and cosmetic items. He noted that in Berkeley, property owners can negotiate to perform life safety work immediately, less urgent code work within one year, and then within five years complete other work. He indicated there were classes where people could learn how to perform rehabilitation work and suggested that the Agency sponsor such classes.

In response to Ms. Blomquist's inquiry, Mr. Curtis noted that it was the City of Berkeley and not the Redevelopment Agency which had the phased rehabilitation program.

Dr. Williams indicated that the East Bay situation was not analogous to San Francisco because people had abandoned their buildings and the government was to have people homestead the buildings; thus, the situation in San Francisco was different. Many elderly and indigent people want to become property owners but do not have financial power to compete with those who have money. He urged that a method be found to allow poor people to do some of the work but with the Agency carrying out the major items.

President Wexler inquired if any of the contractors present wished to comment. Mr. Dave Garrison came forward and indicated that he was the low bidder on 1213-15 Scott Street and noted his understanding of what WAPAC was saying when it indicated the job could be done for less. He had some concerns, however, that this was true on this building, since he was \$25,000 below the next lowest bidder and he still would do the job for that price; however, if the job needed to be rebid again, his bid would be much different.

UNFINISHED BUSINESS (continued)

Mr. Benny Stewart of WAPAC came forward and indicated that no one had done more work than he had on this problem. He believed that a new attitude should be taken and that new ways be found to make these buildings available to more people. He noted as an example people saving money on renovation that a number of the owners of buildings disposed of by the Heritage Foundation hired moonlighting contractors which permitted them to get the work done cheaply, but poor people could not even afford to do that. He urged that plans be devised to aid medium-income people. He questioned Mr. Hamilton about the Victorians which had been bought for \$500 and which had cost approximately \$16,000 to move. He wondered if the same principle could be applied to subsidizing costs of work. Mr. Hamilton indicated that the matter had been explored thoroughly and the Agency was not able to get around the issue that public funds could not be used to benefit a purchaser. HUD would not agree to this expenditure because it constituted a gift of public funds could not be used to benefit a purchaser. HUD would not agree to this expenditure because it constituted a gift of public funds and required that expenses be recovered in the sales price. Mr. Stewart inquired if recovery of the costs could be deferred until the property was sold, and Mr. Hamilton replied this would be investigated.

Mr. David Mischel came forward and indicated he was the low bidder on 1211 Scott Street and agreed that the Agency's requirements did exceed the City code minimum but this was necessary to achieve a quality development. He indicated there was no question that a capable homeowner could do the work more cheaply but this depended upon the capacity of the homeowner.

Ms. Shelley indicated she shared the concerns about establishing a policy which would allow community residents to purchase property but she was also concerned when she heard people talking about craft work being done at less than the prevailing wage rate. She was not in favor of establishing a policy which undercut the prevailing wage rate. She hoped that principle would be kept in mind.

MOTION: It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that all the bids for 1213-15 Scott Street be rejected and that a decision on the contracts for Lots 4, 3, and 27 in Block 1127 be deferred for one week to permit staff to determine the costs of work to be done for life safety reasons, and the costs for work that is cosmetic.

NEW BUSINESS

- (a) Resolution No. 85-77 ratifying publication of notice of public hearing for Parcel 1129-E and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Western Addition Approved Redevelopment Project Area A-2.

This item was the subject of the public hearing just held and concerns disposition of Parcel 1129-E for \$22,400 to the Delameter Group, a partnership for development of seven apartments with a solar heating and cooling system. Construction costs are estimated at \$300,000 and rents are scheduled from \$400 to \$600. Construction is anticipated to commence shortly after December 1, 1977.

NEW BUSINESS (continued)

President Wexler recalled that the Commissioners had made their decision on the Delameter proposal with the understanding that the rentals ranged from \$350 to \$550. Dr. James Delameter came forward and confirmed that these were the rents to be paid but suggested that there could be a change in the bedroom mix and rents but that he was not yet sure. President Wexler asked if the tenants would benefit as a result of the installation of solar energy, and Dr. Delameter indicated that in so far as is possible any monetary savings would be passed on to them but that the system was very costly even the possibility of receiving a grant as a result of the President's energy proposals was unknown. Mr. Glickman indicated his understanding that WAPAC had approved the project and expressed concern that the rentals were being changed without their approval. President Wexler indicated that WAPAC had not recommended the Delameter proposal. Dr. Delameter noted that he had discussed the matter with Mr. Michael Mann, Business Development Specialist. Mr. Glickman indicated his concern about a developer making a statement and then changing it. He asked for a more definitive statement.

Dr. Delameter indicated his impression was that there was some variance allowable and that his final decision would depend on the lending institution. Mr. Glickman indicated his disfavor with any deviation since the Commissioner's decision had been made on certain premises. Mr. McMahon indicated that if there should be any substantial changes in the proposal these would be brought before the Commissioners for approval. He noted that there have been discussions only with Mr. Mann regarding Dr. Delameter's financing. Dr. Delameter indicated that at this time the plans and unit structure remained the same.

President Wexler recalled that Dr. Delameter had proposed that seven units in the building be four 1-bedroom units renting from \$325 to \$350 and three 3-bedroom units from \$525 to \$550, and that was what the Commissioners had approved when they designated Dr. Delameter as developer of the parcel. He indicated that both the Commissioners and WAPAC were sensitive to any changes. Dr. Williams suggested that it appeared discussions were still on-going with staff and that no changes had been made. He noted that staff has been apprised of the Commissioners' concern about any changes. Dr. Williams expressed concern that the solar energy system would not be economically feasible for a one-bedroom unit, and Mr. Hamilton indicated that he was not sure when the discussion took place whether the bedroom composition had changed. Dr. Delameter indicated he needed a certain amount of flexibility in obtaining financing but believed that the 3-bedroom units may be better for the community; however, no decision had been made. Mr. Lee inquired about the normal deviation from approved agreements, and Mr. McMahon responded that it was very small. He indicated that generally discussions were proceeding on the original proposals.

Mr. Woods came forward and indicated that Dr. Delameter had also changed the percentage of ownership in his partnership and Dr. Delameter responded that although it was formerly a 50-50 partnership, the architect now had a 25 percent interest and he increased his interest to 75 percent. President Wexler indicated that the Delameter proposal submitted to the Commissioners at the time the award was made should be submitted to WAPAC for their information. Mr. Glickman indicated that it appeared nothing had changed and Dr. Delameter agreed. President Wexler noted that if any changes were made, the matter is to come up before the Commissioners.

NEW BUSINESS (continued)

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 86-77 ratifying publication of notice of public hearing for Parcel 677-G and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Western Addition Approved Redevelopment Project Area A-2.

This was the subject of the public hearing just held and concerns disposition of Parcel 677-G to Mr. and Mrs. Wesley Whitehead for \$28,000 for construction of a \$440,000 11-unit apartment building with rents ranging from \$275 for a one-bedroom to \$475 for a three-bedroom unit. Construction is scheduled to start shortly after November 1, 1977. The preliminary plans are due May 1, 1977 and in response to President Wexler's inquiry, Mr. Whitehead indicated that these are ready now.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 92-77 authorizing the Executive Director to execute a contract for architectural services for feasibility studies to determine optimum development for the available market-rate housing sites in Phase I of Hunters Point.

This concerns a contract with architects Donald Sandy and James Babcock for \$2,245 to perform feasibility studies on difficult topographical sites in Hunters Point which would encourage market-rate developers to purchase such sites by providing feasible prototypes. Approximately 50 to 60 lots are available for marketing. President Wexler inquired if the Bayview Hunters Point Joint Housing Committee had reviewed this matter, and Mr. Earl Mills, Area Director for Hunters Point and India Basin, answered affirmatively noting that usually the Committee does not take a formal position on each item. President Wexler inquired if some of the supporting facilities such as stores were in place whether this would help move the project forward. Mr. McMahon indicated that the creation of single-family housing was of paramount importance and that such housing has to be in a price range which people can afford and this would bring business into the area. Mr. Glickman indicated his familiarity with the work of the two architects and indicated they were highly skilled.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 90-77 amending Section V.F.3 of the Agency Personnel Policy relating to compensatory time.

This concerns amendment of the Agency's Personnel Policy to lift the limit of compensation time accrual of 90 hours accrual within a calendar year and increase accrual to 120 hours because under the present policy many employees who work over 40 hours weekly lose this time. Compensatory time provisions now affect a larger number of employees due to a recent change to conform with City practice, so that now accounting, administrative, and community services staff are in the compensatory time category. Where formerly 50 positions were included, 78 are now involved and these include those paid at lower rates than upper and mid-management employees.

NEW BUSINESS (continued)

Ms. Blomquist expressed her belief that the practice of offering compensatory time for overtime for employees making \$25,000 a year or more was entirely too generous at the taxpayer's expense. She noted that she had checked with several private businesses, including the telephone company, and although plans differed, these businesses did not offer such liberal plans for overtime for executive employees. She hoped that the Agency employees would keep the taxpayer in mind when they requested benefits not available in the private sector as the public is already rebelling against the financial demands of governmental employees. Mr. Hamilton indicated that the Agency was not comparable to private industry in many respects but that the proposed amendment did conform to other public agencies. He pointed out that the San Francisco Unified School District, San Francisco Community College District, Golden Gate Transit District, Bay Area Pollution Control District, San Francisco Housing Authority, and the City and County of San Francisco all have similar policies providing compensatory time off. Mr. Glickman commented on the salary amount, and Ms. Blomquist indicated that she had used \$25,000 as the salary for those in the executive level.

Ms. Shirley Wysinger, President of the City and County's Local 400, came forward and indicated that many people were put on compensatory time last year that were formerly paid for working additional time and with staff cuts fewer people were having to do more work; therefore, it was important that they receive compensation for that time. She cited the case of one employee who lost his time because he had worked longer than 90 hours and was unable to carry the excess over. She believed this was unfair. In response to Mr. Glickman's inquiry, Ms. Wysinger indicated that Local 400 supported the increase from 90 to 120 hours as recommended by the Agency.

Ms. Shelley asked how many people were involved in the proposed changes and how many of them were in the bargaining unit. Mr. Hamilton responded that the previous year's compensation time had been changed drastically and now included positions above clerical staff who were compensated in time. Ms. Shelley believed that the determining factor should not be the person's salary but the fact that they may have been led to believe a particular salary was attached to a particular number of hours and if they are asked to work additional hours they are entitled to additional compensation. She supported the resolution as equitable.

President Wexler commented that last fall the Commissioners had rejected an increase in retirement benefits which exceeded the City policy and that currently the Civil Service was surveying the Agency positions with the objective of achieving parity with City employees; therefore, he believed it would be inequitable not to follow City policy with regard to compensatory time. He believed remuneration should be consistent if one group of employees is being compared to another.

NEW BUSINESS (continued)

ADOPTION: It was moved by Dr. Williams and seconded by Ms. Shelley that this resolution be adopted, and on roll call the following voted "Aye":

Joan-Marie Shelley
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams
Howard M. Wexler

and the following voted "Nay":

Dian Blomquist

and the following abstained:

None

The President thereupon declared the motion carried.

- (e) Resolution No. 91-77 authorizing assignment of partnership interest in Embarcadero-Lower Market Approved Redevelopment Project Area E-1.

Mr. Hamilton indicated this item concerned transfer of 6.666-2/3 percent of Mr. John C. Portman's 16.666-2/3 percent interest in the Embarcadero Center to Mr. David Rockefeller, as in individual partner. This transfer is intended and expected to strengthen Embarcadero Center's financial capability and operating effectiveness. Assistant Agency Counsel Richard Thomas indicated that although the antispeculation and assignment provisions of the disposition agreement require Agency approval only of transfer of 10 percent or more, or transfers involving any other similarly significant change in redeveloper ownership, Embarcadero Center has always informed the Agency of any changes in ownership and obtained Agency approval of these changes.

President Wexler inquired if the interest that was being transferred had increased in value since its acquisition, and Mr. Thomas responded that the antispeculation analysis was performed according to a 1976 audit and was in compliance with the Agency's disposition agreement requirements.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDS

- (a) Presentation of Ridgetop Park, Hunters Point Approved Redevelopment Project Area, which had been postponed from the preceding Special Appearances.

Mr. Redmond Kernan, Deputy Executive Director of Planning and Development, indicated that there were time constraints on the work being done by Michael Painter and Associates for the Ridgetop Park area of Hunters Point and that a decision was necessary to permit advertisement of the contract.

Mr. Earl Mills came forward and indicated that the proposed 6.3-acre Ridgetop Park was a major development in the center of the Hunters Point project and was critical to development of the community. He indicated its location

MATTERS NOT APPEARING ON AGENDA (continued)

between the neighborhood facilities building and the Jedediah Smith School and noted that this playground and park was of great concern to the community. He also noted his concern that the bids could exceed the amount budgeted for the park by 20 to 25 percent. He believed, however, that this park was such an essential part of the project that it should be developed even if costs exceeded the original budget. Mr. Mills indicated that the park has been reviewed by the Joint Housing Committee on three occasions, and it has urged that the Agency develop the park as now planned. The items which have increased costs in the park include the amphitheater and parking, and the skateboard area with elevated concrete ramps. Mr. Mills indicated these areas on a model showing the various activity areas. Included in the design is the vertical element which is the most striking feature of the park and can be seen from the freeway. This design is to be used as a sundial and constitutes the artistic element of the park. There is also a creative play area with sculptures. Mr. Mills indicated that he hoped to open the bids by the end of May.

In response to President Wexler's inquiry, Mr. Mills indicated that the project budget was \$600,000 and again noted that the bids may exceed this by 20 percent based principally on the cost of the amphitheater which was not in the original plan. Mr. Glickman inquired if there was lighting in the park, and Mr. Mills responded affirmatively. The Commissioners indicated that Mr. Mills had their authority to advertise for bids.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:10 p.m.

Respectfully submitted,

A handwritten signature in black ink, reading "Helen L. Sause". The signature is written in a cursive style with a large, stylized "H" and "S".

Helen L. Sause
Secretary

JUN 8 1977

SAN FRANCISCO
PUBLIC LIBRARY

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF MAY 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of May 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

and the following was absent:

Walter F. Kaplan

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Gene Stancil, Wade Woods, Dexter Woods and Benny Stewart, Western Addition Project Area Committee (WAPAC); David Mischel, Mischel Construction; Willie Ballard, contractor; Major Oscar Youngquist, Salvation Army; Gina Hamilton, A. Saunders, and John Alexander, interested citizens.

Representing the press were Donald Canter, San Francisco Examiner; and Marshall Kilduff, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of an Executive Meeting of April 5, 1977 and the minutes of a Regular Meeting of April 19, 1977, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Public Works Act has been approved by Congress and will be signed into law shortly. There will be a briefing by EDA in Washington, D.C. on May 6, 1977 on the procedures and regulations governing the allocation of \$4 billion. The John Swett School neighborhood facility is potentially to be funded from this source. Mr. Hamilton indicated that Mayor Moscone

Minutes of a Regular Meeting, May 3, 1977
REPORT OF THE EXECUTIVE DIRECTOR (continued)

will be in Washington at the same time, and the Mayor's representative will be present at the briefing.

- (b) The National Association of Housing and Redevelopment Officials (NAHRO) 36th Annual Conference will be held May 21-24, 1977 at the Holiday Inn Golden Gateway at Pine and Van Ness Avenue. The Agency and numerous staff are members of this professional organization. The Agency is host and Mr. Hamilton indicated he was the Arrangements Chairman and he and Mr. Alan E. Rothenberg and others will speak at that Conference. Mr. Hamilton indicated that the first day of the Conference is the day set aside for commissioners of redevelopment agencies and housing authorities, and he asked the Commissioners to advise him if they wished to attend.

UNFINISHED BUSINESS

- (a) Resolution No. 75-77 ratifying and approving action of the Executive Director in soliciting bids in connection with rehabilitation of Agency-owned structures on Lots 4, 3, and 27 in Block 1127, Western Addition Approved Redevelopment Project Area A-2; 1207 Scott, 1211 Scott, and 1917 Ellis Streets, respectively; awarding contracts to Willie Ballard and David Mischel on the basis of low bids received; and authorizing execution thereof.

This item was held over from the previous meeting and concerns award of contracts for the rehabilitation of three Agency-owned buildings at 1207 Scott Street, 1211 Scott Street and 1917 Ellis Street to Willie Ballard, David Mischel, and Willie Ballard, respectively. The original consideration of contract award was to have included the property at 1213-15 Scott Street and would have been awarded to Garrison Construction; however, this was rejected last week by the Commissioners because of extensive fire damage and will be rebid. The bid expired on May 1, 1977 and bids on the remaining three buildings will expire today. Mr. Hamilton indicated that the Commissioners have toured these buildings and noted that it was the recommendation of staff that these contracts be awarded today. He indicated that these buildings did not lend themselves to the sweat equity concept because of their advanced state of deterioration. He noted that there was a possible exception of the property at 1917 Ellis Street which is not as much in need of extensive repairs and could possibly be considered for the sweat equity approach.

Dr. Williams indicated that because of his own past personal experience, it was his opinion that these structures could be repaired by community people who could perform most of the work except plumbing and electrical for which they could obtain licensed contractors. He was not in favor of awarding the buildings to contractors and suggested that the matter not be voted on today.

Mr. Glickman indicated that before he had seen the buildings, he believed that the existing code work could be accomplished under a program of building equity through work by the owner. However, after having viewed the properties it was his opinion that the work required to bring the buildings up to code was so extensive that such a program would be unsuccessful.

UNFINISHED BUSINESS (continued)

It was his belief that the two properties at 1207 and 1211 Scott Streets were not the places to initiate a program of sweat equity; it would be programmed for failure. He added that although Dr. Williams had indicated that he performed such renovations in the past, it was his opinion that there had been so many changes in code and licensing requirements and that certain things would not be permitted as they previously had been. Mr. Glickman reiterated that he strongly favored trial of a sweat equity program but that the two properties on Scott Street would not be a fair trial.

Mr. Lee concurred in Mr. Glickman's conclusions that these two properties were unsuitable for the sweat equity approach as a result of his evaluation of the premises, but thought that 1917 Ellis Street was in better condition and could be suitable for a trial of such a program.

Dr. Williams indicated that two members of his church were successfully performing the kind of renovation work he had done and urged that the people's abilities not be underestimated. He urged that the Agency find solutions to the long-neglected community needs. He noted that as an example of the efforts the Agency had made to respond to community needs the community had permitted the Sheriff's Department to perform temporary work on the Imperial Hotel by means of sweat equity and it seemed to him that by denying the request of the community on these buildings the Agency was being inconsistent.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) came forward and indicated his belief that he had been misunderstood in regard to sweat equity because he had gone through these buildings and knew them. He alleged that the staff misled the Commissioners by showing them the buildings which were deteriorated, but even in that condition he claimed that they were still habitable by community people. He indicated that he had not been talking about a total sweat equity program but a combination of that and professional contracting. He indicated that WAPAC was discussing the program with Mr. Andrew Anderson of the Bank of America to provide 90 percent loans for rehabilitating structures. There will be no limit per unit on the amount of money that could be borrowed and would be unlike the Marks-Foran Bill which limits the loans to \$30,000 per unit for rehabilitation work done on single-family residences as well as apartment units. These Bank of America loans would be on the basis of working out the amount of sweat equity, and money will be obtained as it is needed and interest is to be paid only on the amount of money taken out. He indicated that people could hang sheetrock and paint but a contractor would be needed to place ceiling beams or put in walls. He claimed that the people who purchased the Victorians before rehabilitation from the Foundation for San Francisco's Architectural Heritage did their own work or found someone to do it. He claimed the Agency was not in favor of the sweat equity concept. He suggested that the Agency could be helpful in showing people how to do the work and in this way would be serving the real objective of revitalizing the community but he believed that a change of attitude was necessary before this could be done. He believed this was the way to get more property back on the tax rolls.

UNFINISHED BUSINESS (continued)

Mr. Benny Stewart of WAPAC came forward and indicated that he knew of one person who had been living in a building for two years which was 90 percent below code and urged that such individuals be helped to afford purchasing the building and renovating it. He suggested that new personnel in the rehabilitation division may provide a new approach.

Mr. Wade Woods of WAPAC came forward and indicated his belief that it was the Agency's basic responsibility to provide housing for people, particularly since it had been instrumental in demolishing the buildings where black people had lived. He believed that people should be given an opportunity to return to the community and live in the housing, and he hoped they would be given a chance to succeed.

Mrs. Mary Rogers of WAPAC came forward and indicated that last week when the item was held over, the Commissioners had asked that staff and WAPAC meet to work out some mechanism for permitting community people to purchase and renovate buildings. She indicated that Mr. Gene Suttle, Area Director of Western Addition A-2, and WAPAC had met with Mr. Anderson of the Bank of America but no solution had been agreed upon. She believed further exploration was necessary and asked that a decision be postponed to give WAPAC the opportunity to see what it could get people to do for the amount of money available. She urged that the recommendation to award the contract not be accepted for these buildings.

Mr. Hamilton indicated his appreciation of WAPAC's interest and noted the considerable amount of time which had been given to finding a workable solution by staff. However, he stressed his concern for the issue raised by Mr. Glickman about a sweat equity trial which would be programmed for failure and he noted that there had been situations where this had occurred in the past. He indicated that the Agency would attempt to make a sweat equity arrangement work in appropriate circumstances where the buildings were in a condition where the proposal had a fair trial, but it was his judgment that the buildings at 1207 and 1211 Scott Street were unsuitable and thus would not benefit community people in the long run. He suggested that the 1917 Ellis Street structure and two others be evaluated for their potential to provide a real chance for success under the sweat equity program. He indicated he had also spoken with the Bank of America representative and learned that the bank had arranged a pilot program in San Jose but this was not in operation yet. Mr. Hamilton also indicated that the interest rate being discussed with Bank of America was not particularly attractive and he believed that these were all issues that needed to be explored to make the sweat equity package work. He again indicated that he did not believe the sweat equity method would work on the two Scott Street properties. Mr. Hamilton recommended that the contract for 1917 Ellis Street not be awarded but be put out to bid and suggested that it would serve as a prototype for the program.

Mrs. Rogers came forward and indicated that it appeared the Agency had access to information which WAPAC did not and asked if in the future WAPAC could be included in any discussion taking place. Mr. Hamilton indicated that nothing new had been discussed that WAPAC had not been apprised of except he had discussed the matter with the Bank of America representative by phone. Mrs. Rogers alleged the rehabilitation staff was not providing technical information to people who needed help in putting together loans

and that community people could not return to live in the rehabilitated buildings because of the high cost. She threatened to sue if the Agency did not assist WAPAC. She also urged that the provisions for home-steading and public housing in the recently signed housing bill be used. She indicated her willingness to work with the Agency but objected to it disrupting the community. Mr. Wade Woods indicated that since he did not believe the buildings would benefit the community they should be torn down. Mr. Townsend concurred and indicated that WAPAC wanted people in the community to own their own homes and expressed his belief that the staff did not trust black people to renovate their homes. He alleged that it was WAPAC which had originally wanted to preserve the Victorians. He indicated that the condominium program, plus renovation of one or two houses and some apartments was not worthwhile and any legal maneuver WAPAC had at its disposal would be employed to stop it.

Mr. Dexter Woods came forward and indicated that all jobs on rehabilitation would be stopped.

Dr. Williams asked if staff would consider worthwhile his contacting the numerous churches in the area for their assistance. He believed that the Agency has buildings that are dilapidated but people are living in them and that an owner trying to improve property should have the same opportunity. He believed the Agency had a moral responsibility to help people it has evicted and expressed concern that the Agency seemed to be unwilling to let people try to work on the buildings. He believed the attitude of the Agency reflected the rigidity of a bureaucracy and ought to be changed.

Mr. Lee inquired how many buildings were left to be rehabilitated, and Mr. William McClure, Chief of Rehabilitation, responded that there were approximately 50 which would come into Agency ownership. Mr. Lee suggested awarding contracts for renovation of the two buildings on Sutter Street and retaining the 1917 Ellis Street building for a trial of the sweat equity program.

MOTION: It was moved by Ms. Blomquist and seconded by Dr. Williams that all bids for the properties located at 1207 Scott, 1211 Scott and 1917 Ellis be rejected and that the Agency be directed to continue to work out methods to enable people to rehabilitate such structures for their own homes.

President Wexler indicated that an "aye" vote would be for rejection of the bid.

On roll call the following voted "Aye":

Ms. Blomquist
Dr. Williams

and the following voted "Nay":

Ms. Shelley
Mr. Glickman
Mr. Lee
Mr. Wexler

The President thereupon declared the motion defeated.

President Wexler indicated that at the previous meeting ways were discussed to find methods of putting more community people into home ownership status, but it appears that the two Scott Street properties are an inappropriate means of achieving that result; however, the Ellis Street property appears to be in better condition as are other structures which WAPAC and staff have studied and it appears these could be suitable for a trial of the sweat equity concept.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Lee that contracts be awarded to the low bidders on the 1207 and 1211 Scott Street properties and that 1917 Ellis Street be rejected, and on roll call the following voted "Aye":

Ms. Shelley
Mr. Glickman
Mr. Lee
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist
Dr. Williams

The President thereupon declared the motion carried.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Lee that the 1917 Ellis Street property be reexamined by staff with the intention of allowing the sweat equity program to be instituted on that building.

Mrs. Rogers came forward and indicated that there was a tenant in that building and asked if the Agency was prepared to move a family into the structure. She inquired if 90-day notices would be sent out and alleged that certificate holders had been delayed from proceeding by similar occupancy. Mr. Hamilton indicated this was the procedure followed at present, and noted that the notices were sent out immediately. Mr. Hamilton indicated that time requirements needed to be worked out and that the Agency attempted to deliver buildings on schedule. He indicated that staff would work with WAPAC in developing the sweat equity approach for the Ellis Street property.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Lee that the 1917 Ellis Street Western Addition A-2 property be reevaluated by staff with the intention to try the sweat equity program on that building and that staff be directed to work with WAPAC to implement the sweat equity program, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Blomquist
Mr. Glickman
Mr. Lee
Dr. Williams
Mr. Wexler

and the following voted "Nay":

none

UNFINISHED BUSINESS (continued)

The President thereupon declared the motion carried.

Mr. Hamilton noted that the Agency has not abandoned its desire for the Scott Street properties to be purchased by community people but there was a question of the profit realized when the property was subsequently sold and this would have to be explored with the Department of Housing and Urban Development (HUD). President Wexler assumed these discussions would also involve WAPAC and Mr. Hamilton agreed. President Wexler inquired if the 1213 - 1215 Scott Street structures had been readvertised and Mr. Hamilton indicated that staff was directed to rebid the property but the advertisement has not yet been published. Mr. Blomquist suggested that since the property has to be rebid that another week or two be allowed for further study, and President Wexler concurred.

NEW BUSINESS

- (a) Resolution No. 93-77 designated Rescalvo/O'Connor, a partnership, as redeveloper of Parcel 719-A; directing that the Executive Director take the necessary action to obtain approval of the proposed redeveloper from the Department of Housing and Urban Development and to publish a notice of public hearing in connection with the proposed disposition of the parcel in Western Addition Approved Redevelopment Project Area A-2.

This concerns designation of Rescalvo/O'Connor as developer of Parcel 719-A at the northeast corner of Franklin and Ellis Streets for a four-story 38-unit rental apartment with rents ranging from \$245 to \$340. Construction could start shortly after the sixty day designation period. Mr. Hamilton indicated that the parcel was first offered in 1971 and the Maisin Development Company was the designated developer, but a change in the life and safety code made the original proposal infeasible, as well as a subsequent proposal for a 70-unit elderly housing development. The agreement was terminated with Maisin and three new proposals were received:

(1) Centurion, Schoof, Jacobs, Vinson, Komo, and Taylor for 31 rental apartments with rents ranging from \$335 to \$390 monthly; (2) Rescalvo/O'Connor; and (3) Gene Lam and Associates for 41 condominium apartments ranging in sales price from \$45,000 to \$72,000 per unit. The condominium proposal was evaluated with particular attention because of the interest in increasing home ownership but there does not seem to be financing available for such a development. Gene Lam and Associates were requested to provide assurances that the project was feasible but none were forthcoming. After careful evaluation it was believed that the interests of the community would best be served by the rental proposal. Mr. Hamilton recommended that Rescalvo/O'Connor be designated as developer.

Dr. Williams inquired about the size of the units, and Mr. Quintin McMahon, Director, Real Estate, Marketing and Business Development, replied this influenced WAPAC and staff's recommendation and that there was a mix of five types, as follows:

FINISHED BUSINESS (continued)

647	square feet	1	bedroom	\$245	monthly for	4	units
673	"	"	1	"	270	"	3 units
691	"	"	1	"	290	"	16 units
989	"	"	2	"	325	"	3 units
1013	"	"	2	"	340	"	12 units

President Wexler asked if the financial and architectural aspects were superior and Mr. McMahon responded affirmatively indicating that the experience record, financial ability, and satisfactory architectural merits were conducive to the most expeditious construction on the site.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 96-77 rejecting all bids received in connection with Demolition Contract No. 69, Western Addition Approved Redevelopment Project Area A-2.

President Wexler indicated that this item would be held over.

- (c) Resolution No. 94-77 fixing time and place for and authorizing publication of notice of public hearing regarding proposed amendment to the Official Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project.

This concerns setting the date of May 31, 1977 for a public hearing on proposed amendments to the Official Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project Area and authorizing publication of the notice of the hearing. This will permit land use change from commercial to elderly residential on the parcel to be developed by TODCO, which is the development arm of TOOR, and the sponsor, Los Caballeros de Dimas-Alang. This proposed amendment will permit completion of compliance with the TOOR agreement with respect to site designations.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 95-77 approving form of second amendatory agreement between the Agency and the Salvation Army, a California Corporation, with respect to disposition Parcel 3752-C, and authorizing execution thereof, Yerba Buena Center Approved Redevelopment Project Area D-1.

This concerns extension of the Salvation Army's disposition agreement on Parcel 3752-C located on the southeast corner of Fourth and Shipley Streets, for 18 months in order to develop a proposed 3-story commercial and retail facilities building to serve the senior citizens' needs of Silvercrest housing development as well as those of other area residents. As a result of delay in the development in Yerba Buena Center, it was determined that there was no market for the type of retail/commercial facilities planned by the Salvation Army for this site; therefore, an extension is requested to permit further study. It is also anticipated that the market demand will be affected by the TODCO housing development.

UNFINISHED BUSINESS (continued)

President Wexler inquired if an extension of 18 months was essential and noted that the Commissioners preferred to limit extensions to six to twelve months. Mr. Hamilton noted that he believed an extension of twelve months would enable the Salvation Army to evaluate the interest of the financing community.

Ms. Blomquist inquired if there was a supermarket proposed, and Major Oscar Youngquist, General Secretary of the Salvation Army's Northern California - Nevada Division, replied that normally the organization does not enter into commercial ventures but in order to provide services to the elderly residents of the Army's Silvercrest housing development, it was believed there needed to be at least a 10,000 square-foot commercial space to provide a market, beauty shop and such uses to serve residents and others, but there has not been a sufficient population to make that type of service economically feasible. Ms. Blomquist inquired how many people were there now, and Major Youngquist replied 1,200 lived there, and that from 1,800 to 2,000 were needed to support the venture. President Wexler indicated that the Salvation Army had done an excellent job in senior citizen housing and inquired if an extension of one year with the assurance that the Salvation Army would receive favorable consideration if additional extensions were necessary. Major Oscar Youngquist and Mr. Hamilton indicated there was no objection.

MOTION: It was moved by Ms. Blomquist that Resolution No. 95-77 approving form of second amendatory agreement between the Agency and the Salvation Army, a California corporation, with respect to disposition Parcel 3752-C, and authorizing execution thereof, Yerba Buena Center Approved Redevelopment Project Area D-1, granting an extension of one year be adopted.

Mr. Glickman asked if this would affect the organization's decision to move ahead if the one-year extension is granted with assurance of another extension if needed and Major Youngquist indicated that in the original agreement it was the intention of the Salvation Army to provide for building additional units as well as provide for senior citizen facilities but that the water table had been misjudged so that underground parking was impossible. This has also delayed the development from proceeding. He indicated that the Salvation Army wanted to develop its plans for both the additional units and the commercial space at the same time, and that the one-year extension was sufficient time.

MOTION: It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that Resolution No. 95-77, approving form of second amendatory agreement between the Agency and the Salvation Army, a California corporation, with respect to disposition Parcel 3752-C, and authorizing execution thereof, Yerba Buena Center Approved Redevelopment Project Area D-1, granting an extension of one year to the Salvation Army be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Mrs. Rogers came forward and indicated that she had been communicating with CANE regarding the position WAPAC should take in providing for the tenants scheduled to be evicted on May 15, 1977 from units at 1529-31 Sutter Street. She indicated that nothing is scheduled for the land and that it appeared the eviction could be delayed. Mr. Richard Kono, Deputy Area Director for Western Addition A-2, replied that this property is out of the Nihonmachi.

UNFINISHED BUSINESS (continued)

Mrs. Rogers inquired if there was some way this building could be considered for sweat equity and noted that it appeared CANE was evidencing cooperation by talking to people. Mr. Hamilton replied that this could be considered. President Wexler indicated it was encouraging to learn that WAPAC was working with the CANE group.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:40 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF MAY 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of May 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

DOCUMENTS

SAN FRANCISCO
PUBLIC LIBRARY

and the following was absent:

Walter F. Kaplan

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Ed Crocker, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Claude Carpenter, Bayview-Hunters Point Joint Housing Committee and the New Breed Community Development Corporation; Shirley Jones, spanola Jackson, Norland Jones, B. Maxwell, Willa Jones, and Diane Wesley, Bayview-Hunters Point Joint Housing Committee; Fred Ezazi, Bay Cities Paving and Grading; Walter E. Ringen, Richard C. Olsen, and Frank Park, Western Electric Company; Thomas Weeks, Diamond Heights Neighborhood Association; Richard Barnett, Halloran Associates; Gene Lam and Ken Smith, Gene Lam and Associates; Joel Elekman, Sonneblich Goldman Corporation of California; William Harlan, Pacific Union Company; Francisco J. Centurion, John Komo, and Valmar A. Schaaf, Francisco J. Centurion and Associates; Patrick O'Connor and George Rescalvo, Rescalvo/O'Connor; Mickey Omura, Coalition to Support Nihonmachi tenants; Richard Henry, Upper Noe Valley; and W. B. McDowell and Charles Walker, interested citizens.

Representing the press were Donald Canter, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; Dan Borsuk, San Francisco Progress; and Tim Finely, KPIX Channel 5 TV.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of a Regular Meeting of April 26, 1977 and a Regular Meeting of May 3, 1977, as corrected and as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels L-1, K-1 through K-8, Q-2, Q-4, Q-5, and P-16 through P-18, Diamond Heights Approved Redevelopment Project Area B-1.

SPECIAL APPEARANCES (continued)

- (a) President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels L-1, K-1 through K-8, Q-2, Q-4, Q-5, and P-16 through P-18, Diamond Heights Approved Redevelopment Project Area B-1.

Mr. Thomas Meeks, President of the Diamond Heights Neighborhood Association, came forward and indicated that the Association was in support of sale of the above-mentioned parcels to the City for the purpose of providing open space for the Diamond Heights area. He indicated that public hearings had been held by various City agencies and there was agreement in principle that the parcels should be used to establish open space. The Board of Supervisors approved the parcels being included in the open space budget. He indicated the uses which the community would make of each parcel, including those of playgrounds and nature study. There being no further persons wishing to speak in connection with the matter, the President declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel B-1, India Basin Industrial Park Approved Redevelopment Project Area.

- (b) President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel B-1, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Agency and WAPAC are moving expeditiously upon receipt of recently solicited proposals for consultants to undertake replanning of the Fillmore Center Commercial Area. Of eleven proposals received, seven were submitted on April 25, 1977 and were interviewed on May 5. A staff recommendation jointly arrived at by the Agency and WAPAC will be before the Commissioners shortly.
- (b) The City and the Agency jointly have invited proposals for an environmental consultant for preparation of requirements of California Environmental Quality Act (CEQA) and the Neighborhood Environmental Protection Act (NEPA) for the Yerba Buena Center Project. Consultants must have the capacity to prepare the Environmental Impact Report (EIR) and Environmental Impact Study (EIS) for the entire project, although this may not necessarily be done on that basis. Staff will meet this Friday with City staff and potential consultants to discuss this service.

NEW BUSINESS

President Wexler indicated that the following item would be taken up out of order so that Dr. Williams may leave early.

- (c) Resolution No. 101-77 awarding Site Improvement Contract No. 18, India Basin Industrial Park Approved Redevelopment Project Area, to Bay Cities Paving and Grading.

NEW BUSINESS (continued)

This concerns award of Site Improvement Contract No. 18 to the low bidder, Bay Cities Paving and Grading, for \$1,895,686 for construction of improvements on Newhall and Mendell Streets in the India Basin Industrial Park Redevelopment Project. Mr. Hamilton indicated that prior bids for this contract were rejected by the Commissioners at the meeting of March 22, 1977 and consequently the Agency readvertised. Invitations were sent to 91 interested contractors, 23 of whom obtained plans and specifications, and 6 of whom submitted bids. Mr. Hamilton also noted that DeNarde Construction Company had protested in writing that Bay Cities had not appropriately signed its bid bond and after staff examination, Agency General Counsel Tilden H. Edwards reviewed the bid documents and bid bond and determined that Bay Cities had submitted a substantive bid bond.

Mr. Hamilton indicated that there were many Hunters Point residents opposed to Bay Cities working in that community who had expressed their concerns at the previous meeting. A letter from the Bayview-Hunters Point Community Coordinating Council, dated May 9, 1977, was received which contained expressions of continued opposition because the contractor's presence was a reminder of the tragedies which had occurred in Hunters Point where three children were killed, and which requested that the contractor also be banned from India Basin. The other letter from Mr. Claude Carpenter, Chairman of the Bayview-Hunters Point Joint Housing Committee, dated May 10, 1977, indicated that in a vote taken on May 9, 1977 the majority of the members of the Board of Directors had voted against a resolution excluding Bay Cities from working in the community.

Mr. Hamilton indicated that copies of both letters would be made a part of these minutes. Mr. Hamilton indicated that the Agency has given considerable consideration to the issues involved here and the expressions from the community, but that because of the location of the contract in the India Basin area and since Bay Cities has performed contracts in that area for the City and Agency and based on the low bid received that it is recommended by staff that the contract be awarded to the Bay Cities Paving and Grading, for the amount of \$1,895,686. That recommendation is made because development schedules in the project and commitments made under disposition agreements are such that the Agency has an obligation to proceed with work in India Basin. Mr. Hamilton indicated that the work will be performed behind fences with a security patrol on duty 24 hours a day and that the site was not in the general activity area of the adjacent residential community. There will be a subsequent contract later on the residential portion which will be looked at carefully should Bay Cities submit a bid at that time.

Dr. Williams indicated that his concern remains the same as before in terms of the fact that there is more than substantial opposition from the community to Bay Cities and it was his belief that the kind of emotional damage that could be done to the community still is a serious concern. He believed that the community should be heard on the matter. He indicated that there was some question raised in the Western Addition A-2 community and the Agency has initiated inquiries into the safety records of Bay Cities and has learned of two other fatalities which occurred in Oakland where citations for safety violations were issued. He believed that the company had a consistent lack of regard for the lives of people in areas where it had worked which seemed

NEW BUSINESS (continued)

irresponsible to him. He requested that some form of legal release be sought to free the Agency from any obligation of having to repeatedly reconsider the company and he asked that the award be rejected and the contract rebid. He indicated his belief that because it is in India Basin and geographically removed from the heart of the residential area it was tantamount to saying the Agency had no care for the community. He also indicated that the company's affirmative action program alone was insufficient rationale to support the Bay Cities bid, since no company would be acceptable which did not have this minimum requirement. He indicated that his understanding was India Basin was to be tied to Hunters Point economically to provide jobs for the people of Hunters Point and since there was so much opposition in the community to awarding the contract to Bay Cities, he was uncertain how to deal with the problem.

Mr. Glickman asked for clarification from the community since there were two letters received expressing conflicting views. He asked if there was a contractual relationship with the Bayview-Hunters Point Joint Housing Committee to advise the Agency on community opinions, and Mr. Hamilton replied that it was the official vehicle to the Agency for both projects. Mr. Glickman asked about the Bayview-Hunters Point Community Coordinating Council and Mr. Hamilton replied it was an umbrella coalition representing a variety of organizations beyond the project area. Mr. Hamilton indicated that Mr. Claude Carpenter was present and could answer any questions.

Mr. Claude Carpenter came forward and indicated that at its community election the majority of the board of new members of the Bayview-Hunters Point Joint Housing Committee had voted not to exclude Bay Cities. They must regard the entire community, not just India Basin. Mr. Glickman asked if it was the opinion of the majority of the Committee that Bay Cities should be allowed to work in the community. Mr. Carpenter responded that there were seven new representatives on the Committee and they lived in the Hunters Point project area and had participated in the election and that the majority of the residents elected the board. He indicated that even the New Breed Community Development Corporation had submitted 500 signatures, including important people from the community, who believed that Bay Cities should not be excluded from working in the projects.

Ms. Shelley expressed her belief that as a Commissioner of the Agency she was sensitive to expressions of community concern and she would like to see the Agency proceed along that line. However, it appears that there are conflicting signals about community feelings on this issue, so that lacking any conclusive statement to the contrary, it seems that there is a staff recommendation that the low bidder be awarded the contract, a recommendation from a recognized community group, and also an expression of recommendation from another community group which pull the Commissioners in a particular direction. Dr. Williams inquired how many members were on the board of the Joint Housing Committee and Mr. Hamilton replied there were eleven members. Mr. Lee asked Mr. Frank Cannizzaro, Area Engineer for Hunters Point and India Basin, if there were any safety precautions taken in specific areas that were considered dangerous, and Mr. Cannizzaro came forward and replied the contract includes fencing requirements and that guards be on 24-hour duty.

NEW BUSINESS (continued)

Mr. Lee asked how deep the dirt excavation would be and Mr. Cannizzaro responded that in and around the work area it would be five feet deep but the earth would be removed in layers. The major area of depth would be during installation of the sewer line and may be fifteen feet deep. In reply to Mr. Lee's question, Mr. Cannizzaro responded that reference to the State Department of Industrial Safety, which administers the Occupational Safety and Health Act requirements, is included in the contract.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and asked if the report on the accidents which occurred with the Bay Cities Paving and Grading had been studied and also if this company's status had been checked with the State, since there were many accidents wherever it had worked. She claimed the company was negligent and was still operating in the neighborhood where children had been killed. She indicated that it made no sense to award the contract just because Bay Cities threatened to go to court over the matter. President Wexler indicated that the Commissioners had all the information available.

ADOPTION: It was moved by Ms. Blomquist and seconded by Ms. Shelley that the resolution awarding Site Improvement Contract No. 18, India Basin Industrial Park Approved Redevelopment Project Area, to Bay Cities Paving and Grading, be adopted, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Wexler

and the following voted "Nay":

Dr. Williams

and the following abstained:

None

The president thereupon declared that the motion carried.

Mrs. Shirley Jones requested that both letters be attached to the Minutes and President Wexler indicated this would be done. She indicated an injustice had been done to the community.

Mrs. Diane Wesley came forward and indicated she was the mother of an eight months' old son and she was speaking for the children. She suggested that since Bay Cities was willing to provide work for community residents, perhaps the children could be assisted in some apprentice or training programs to enter the job market in the future. In this way past mistakes could be rectified. She indicated that the children be given the opportunity to survive and get

NEW BUSINESS (continued)

off welfare and Bay Cities was most willing to work with the community. President Wexler thanked her for her comments.

At this point, Dr. Williams left the meeting at 4:50 o'clock p.m.

- (a) Resolution No. 97-77 ratifying publication of notice of public hearing; and authorizing execution of conveyance instruments; all in connection with the sale to the City and County of San Francisco of Parcels L-1, K-1 through K-8, Q-2, Q-4, Q-5, and P-10 through P-18, Diamond Heights Approved Redevelopment Project Area B-1.

This item was the subject of the public hearing just held and concerns disposition of Parcels in Diamond Heights: Parcel L-1 through K-8 for \$64,000; Parcels Q-2, Q-4, Q-5, and P-16 through P-18 for \$100 each, or \$600 total, to the City and County of San Francisco for use as public open space. The six "Q" and "P" parcels are unsuitable for development because of serious soils conditions. The Board of Supervisors has approved acquisition and appropriated funds, and the Department of Housing and Urban Development (HUD) has concurred in the sales prices. In response to President Wexler's inquiry, Mr. Hamilton indicated that there was no opposition to the sale.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 98-77 approving sale of Parcel B-1 to Frank J. Parr, Jr. and Joyce T. Parr, husband and wife, and the minimum disposal price; ratifying and confirming publication of notice of public hearings; authorizing execution of agreement for disposition and other conveyance instruments in connection therewith, India Basin Industrial Park Approved Redevelopment Project Area.

This was also the subject of the public hearing and concerns disposition of Parcel B-1 to Frank J. Parr, Jr. and Joyce T. Parr in India Basin Industrial Park, consisting of 3.857 acres, or 168,005 square feet, for \$294,257, or \$1.75 per square foot. Development of this parcel consists of the construction of a 28,000 square-foot concrete tilt-up building to be jointly occupied under a lease with the redeveloper by Western Electric Company and Pacific Telephone.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) This item was considered earlier on the agenda.
- (d) Resolution No. 102-77 approving and authorizing the Executive Director to execute Change Order No. 13-1 to Personal Services Contract No. 1E-13 with Towill, Inc. in the India Basin Industrial Park Redevelopment Project.

This concerns a change order of \$10,425 to the personal services contract with Towill, Inc. to cover additional work consisting of construction surveying necessary for the improvement of Newhall, Mendell, Burke and Jennings Streets under Site Improvement Contract No. 18 in India Basin, as well as extending the

NEW BUSINESS (continued)

time of the contract by fifteen months to correspond with the time of construction. The cost of the new work is estimated at \$49,440. The surplus amount of \$39,015 left from the original contract of \$116,800 plus the requested \$10,425 will pay for the total estimated work cost of \$49,440. President Wexler inquired if the effect of the post office occupying land in India Basin would affect this award in any way, and Mr. Earl Mills, Area Director for Hunters Point and India Basin, replied that the streets are being designed to accommodate the post office but should the post office proposal not come to fruition these may have to be changed. In response to President Wexler's inquiry, Mr. Hamilton indicated that there have been two meetings with Postmaster Lim P. Lee and others and scheduling and the approval process were discussed. Mr. Hamilton indicated that the postal department is serious toward development in India Basin and expects to be in a position to need a commitment on land from the Agency by August, in order to get its reservation in for Federal assistance. In another meeting, Mr. Hamilton indicated that Mayor George Moscone indicated he would lend his support for a general mail facility and act as a liaison on behalf of the City to provide any assistance he could and expeditious service needed. The Agency is proceeding on the belief that the post office is on an accelerated schedule for August 1977 and is performing certain work anticipating the entry of that facility in to India Basin.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (e) Consideration of developer designation for Parcel 719-A, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this was a request for a rehearing on the developer for Parcel 719-A at the northeast corner of Franklin and Ellis Streets, because two of the interested developers, Gene Lam and Associates and Centurion, School, Jacobs, Vinson, Komo, and Taylor, had advised the Agency that they were unaware that matter was to have been calendared for the May 3, 1977 meeting agenda. At that meeting, Rescalvo/O'Connor was designated as the developer, as recommended by both Agency staff and WAPAC. Both the Lam and Centurion groups have requested time to present their proposals.

President Wexler indicated that since the Centurion group had by their letter of May 4, 1977 notified Mr. Hamilton that they had not been properly notified either by telephone or in writing of the May 3, 1977 public hearing and that the Lam group had also made the same assertion, it was the Commissioners' belief that the only equitable move was to rescind the action to permit all three developers to come forth today on an equal footing and make their presentations. President Wexler acknowledged that both staff and WAPAC had recommended last weeks' action but if an error was made on the part of the Agency in not properly notifying the developers it would be preferable to begin again, rehear the matter, and vote again. In response to President Wexler's inquiry, Agency General Counsel Tilden H. Edwards indicated that the Agency had the right to do this.

MOTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that Resolution No. 93-77, adopted May 3, 1977, designating Rescalvo/O'Connor as redeveloper of Parcel 719-A in the Western Addition Approved Redevelopment Project Area A-2, be rescinded.

NEW BUSINESS (continued)

Mr. Gene W. Lam of Gene Lam and Associates came forward and indicated that he had new information to present on his proposed 40-unit condominium apartment. He indicated that the Agency had expressed some concern about financing of the project and in this regard he wished to introduce first Mr. H. William Harlan of the Pacific Union Company and next Mr. Joel Elekman of the Sonnenblick Goldman Corporation of California who would offer their views on financing of the development.

Mr. William Harlan came forward and indicated that if there was any question on the marketability of Mr. Lam's condominium units there was no problem in selling them at the prices projected. He indicated that his firm, Pacific Union Company, had marketed in excess of \$26 million in condominiums in San Francisco over the past two and one-half years at and above the prices proposed, due to the very strong demand for the type of moderately-priced condominium units Mr. Lam wishes to construct on the 1000 Franklin Street parcel. In reply to Mr. Glickman's inquiry, it was his belief that the units should command a price of \$60 per square foot in today's market, or a sales price of \$36,000 for the 600-square-foot smaller unit, \$42,000 for the 700 square-foot, one-bedroom unit, and \$60,000 for the 1,000 square-foot, two-bedroom unit. President Wexler indicated that the information he had showed the condominium prices ranging from \$45,000 to \$72,000, and Mr. Harlan indicated that it could be possible since some of the units were smaller and also larger.

Mr. Joel Elekman of Sonnenblick Goldman Corporation of California came forward and indicated that his firm had arranged for over \$1.7 billion in commercial real estate loans last year and many of these were for condominiums in San Francisco. He indicated that after studying the site he had concluded that it would be difficult, if not impossible, to build rental units of any type other than condominiums on that particular site since it is in a fire zone which requires that buildings be constructed of steel and concrete and not wood framing. In his opinion it would also be impossible to build a rental apartment building, simply because San Francisco economics would not make sense since rents need to be between 60 to 65 cents per square foot on a two-bedroom unit of from 900 to 1,000 square feet, or from \$600 to \$700 per month, just to make economical sense and to pay the conventional mortgage. He reiterated that this approach would not work on this particular site. At a cost of from \$14 to \$16 per square foot for 1,000 square feet of space on an annual basis, the cost would be \$1,400 to \$1,600 per month to cover mortgage costs, alone. In his opinion, a condominium project would be economically feasible because of the strong demand for condominiums in San Francisco. Favorable financing is available for condominiums at projected sales prices and 90 percent buyer financing could be arranged on most of the units. A 10 percent downpayment of \$4,200 would be required and total monthly payments would be \$400 per month, which is competitive. Mr. Elekman indicated that multifamily construction was one-third of what it was in California during 1971 to 1973 and was not economically feasible. Mr. Glickman questioned Mr. Elekman's figures and indicated that there were many proposed housing sites in the area which had salable rental units. He asked if this meant people would not get financing because these apartments were economically infeasible. Mr. Elekman indicated that in San Francisco during 1971 to 1974 \$2.8 million in family units were completed and \$1.1 million between 1974 and 1976, or an average of 356 units

NEW BUSINESS (continued)

per year versus 954 units during the past three-year period. This equals 33.7 percent of the annual average of the previous three years, or one-third the number of condominiums built. Mr. Elekman indicated it was difficult to get 60 to 70 cents per square foot. Mr. Glickman indicated that from experience in working with developers, he believed they could build apartment buildings for rentals and that what Mr. Elekman was stating was that rental units were infeasible. Mr. Elekman responded that this could only be known by looking at the rent structure and that it was his belief that his firm could not finance a new project in San Francisco not covered by subsidized government rental programs.

Mr. Kenneth Smith, attorney representing Mr. Lam, came forward and indicated that his client was capable of financing the proposed development and that the Wells Fargo Bank had attested in writing to the Agency on March 22, 1977 that it was interested in financing this multiunit project. He noted that other developments of Mr. Lam, who was also an architect, had been financed by Wells Fargo and that he was totally competent as a potential developer. Mr. Smith indicated that the best and highest use of the land was sought with the object of best serving the needs of the community. In his opinion, condominiums offered the aspect of ownership since they provide an accumulation of owner equity, stability, and pride as opposed to rent receipts and transient quality of rentals. He believed the Lam proposal offered a reasonable mix of units and that it would tend to cut down the mobility of people moving about the city, especially those who have families and children.

Mr. Francisco J. Centurion of Francisco J. Centurion and Associates came forward and introduced his associates, Messrs. John Komo, his building contractor, and Valmar A. Schaaf, his engineer. He thanked the Commissioners for reconsidering their action on designation of a developer for the site in question and indicated that his firm had devoted much time and effort in organizing the package. He indicated that he had taken into consideration nearby neighborhood buildings and consequently had kept his proposed development as low as possible and not over three stories above the ground floor, stepping it down along Franklin Street. He indicated that the structure would be set back ten feet from the property line on Olive and also Ellis Street in order to provide the surrounding buildings with more open space and prevent obstruction of their views. He indicated that there seemed to have been some misunderstanding regarding his firm's activities, which it was assumed were outside San Francisco; however, Mr. Centurion assured the Commissioners that most of the work experience had been in San Francisco. Mr. Centurion indicated that the project had been designed as economically as possible in order to keep rentals low and that essentially the Centurion group was seeking a project for purposes of tax shelter, rather than profit. President Wexler indicated that rents appeared to be from \$335 to \$390 per month and Mr. Centurion replied that they would average \$345 for a one-bedroom and \$395 for a two-bedroom unit. In reply to President Wexler's question, Mr. Centurion indicated that the mix would be ten two-bedroom units and 19 one-bedroom units plus a small commercial space to serve tenants of the building.

Mr. Glickman asked if these units could be constructed so rents would service the mortgage and taxes, and Mr. Centurion replied they would cover taxes, debt service, and maintenance. Mr. Glickman asked if these were all the expenses and Mr. Centurion responded that he had surveyed apartments in

NEW BUSINESS (continued)

the area to ascertain market-rate rentals and his rentals would be maintained over the life of the mortgage which would take care of the building. His rents would remain stable despite inflation. President Wexler asked Mr. Centurion if there would be no increase in rents at all and he replied rents would be raised only if taxes or maintenance costs went up since they were established to take care of the expenses of the building, which was all the group was interested in. However, Mr. Centurion indicated that the building could not be operated at a loss, and he reiterated rents would only be raised to cover increased taxes and maintenance costs.

Mr. Centurion indicated he was interested in what the Agency was accomplishing and suggested that he hoped the staff could find a way of selecting developers which was less costly for developers because from four to six weeks of work was a gamble for them. He suggested that developers could be selected subject to an Agency agreement approving the proposal, and working out details later. With the limitations regarding zoning now existing on the site, there will be some changes in exterior design and in the number of units.

Mr. Valmar A. Schaaf, consulting engineer for the Centurion group, came forward and indicated he could find no criteria for their offer not being accepted and he inquired on what basis another proposal was selected. He indicated that he had worked in San Francisco since 1957. President Wexler indicated that under State law the Agency cannot give priority to San Francisco-based firms versus non-San Francisco based operations. Mr. Schaaf commented that a statement had been made to the effect that his group would have been received more favorably had it been a San Francisco-based firm. The Centurion firm was established in 1962, and Mr. Schaaf mentioned various projects on which he had worked in the Western Addition Area A-2 where three buildings were under construction and one had just been completed. He believed a better method should be found by which to judge a project rather than by leaving the staff completely subjective and that criteria should be established ahead of time. At the request of President Wexler, Mr. Schaaf exhibited the schematic plans to the Commissioners and explained how the building cascaded down the site following the contour of the land. He noted also that there would be only one unit at ground level which belongs to the building manager and a street-level store. There will be decks at each level and the exterior would be of wood-frame suitable to the fire code, with recreational and social space indoors, a garage divided into three sections, and tenant storage in the basement. The one-bedroom apartments would average between 575 and 625 square feet and the two-bedroom units, 750 square feet.

Mr. Patrick O'Connor of Rescalvo/O'Connor came forward and indicated that his firm was a San Francisco-based firm for the past fourteen years and that he believed there was no problem in constructing a 38-unit apartment unit for rental purposes. He had, in fact, just completed two similar buildings in the city and had experienced no problems either in financing or in marketing them. He believed his proposal featured economically sound units and commented that he saved high costs because he was able to do most of the work himself. He indicated he had discussed the proposal with various banks and they were optimistic about the area for rental units but not for a condominium. His proposal was a rental project and rents would range from \$375 to \$380 for a two-bedroom unit of from

NEW BUSINESS (continued)

1,000 to 1,100 square feet and \$275 to \$280 for a one-bedroom unit of 700 square feet, with possibly some one-bedrooms at 600 square feet. President Wexler indicated that previously rents were quoted from \$245 to \$340 monthly, and Mr. O'Connor responded that these figures had been updated and that there may be some smaller units that would go for the previous figures. President Wexler asked if these rents would remain at \$275 or \$280 and Mr. O'Connor replied that although it was not feasible to guarantee future rentals these would be as is. He noted, however, that since costs are going up daily it would be difficult to hold rents to that figure for the life of the building mortgage for 28 years. President Wexler asked Mr. O'Connor if the rents would be raised to cover increased taxes and maintenance and his reply was that top rents cannot be obtained for that area but also a building cannot be operated at a loss, therefore the units would have to go for some figure that was reasonably between the increased costs and market rate. Mr. Lee asked if the rents would be about \$245 to \$350 at today's prices, what these would be ten months from today, and if WAPAC was aware of the rent structure. Mr. O'Connor replied that all rents were based on today's prices but there was no guarantee this would be the final figure should the trend change. Mr. Lee indicated that if prices did escalate \$245 and \$350 would not be feasible ten months from today and asked staff to consider the rent structure. Mr. O'Connor agreed with Mr. Lee, and indicated that if the trend continued upward it would not be logical to maintain the building at a loss. He indicated that WAPAC and the staff had recommended Rescalvo/O'Connor as the developer of the site at the last meeting, that he could not project into the future since the trend may also decline. Mr. Redmond Kernan, Deputy Executive Director for Planning and Development, indicated that all rental projections were based upon current estimates for construction and are what the developers believe are needed for rents to amortize their mortgage; as such, they are subject to change because there is no guarantee construction costs will remain as is. The developers will follow market rate developments to set the rents. President Wexler acknowledged that fact but indicated the Centurion group made a public statement as to what they would do and committed that organization to keep the rents as is and there appeared to be a substantial variance.

Mr. George Rescalvo came forward and indicated he was the architect for the Rescalvo/O'Connor proposal. He indicated he could improve the design, which was acceptable under City code, by making it more expansive to utilize more land and provide more units, but he commented that he had just finished one building and rents now were \$275 per month up from \$255. He did not wish to promise anything because most prices can change.

Mr. Centurion indicated that their costs were projected for the time it took to complete the drawings and have reflected a one percent per month increase, or more specifically, about 16 percent was allowed for cost increase. He indicated that these were educated guesses not based on today's prices. In reply to President Wexler's question, Mr. Centurion indicated that conversely, if costs decreased there would be no hesitation on his part to reduce rentals based on those costs. He offered to submit a written statement that there would be no increase in rents except for reasons of increased taxes and maintenance.

Mr. Hamilton indicated that what was presented today from the developers was all new information which differed from the previous presentation. The Gene Lam and Associates group was requested to provide financing information but that was not available at the time the analysis was undertaken so this is new information. The Centurion group has indicated a change in the lower end of the

NEW BUSINESS (continued)

rent structure but on closer examination of those figures these may be adjusted upward \$60 to \$70 thus making them comparable to the competitors' figures. Rescalvo O'Connor's rent projections were \$245 to \$340 and now they are \$275 to \$375 but with a possibility that they may also be lower. The staff is therefore not now evaluating the same proposals as it did at the time the staff recommendation was made. Mr. Hamilton suggested, therefore, that dependent upon any expression of concern from WAPAC that WAPAC and staff jointly review these new proposals.

Mr. Arnold Townsend of WAPAC came forward and suggested that perhaps the Agency could reoffer the parcel but he was dismayed that WAPAC would have to take the time to go over the proposals again when developers come up with all new facts and new rents after having made their presentation to WAPAC earlier. He noted that previously Gene Lam and Associates had a 20 percent downpayment, or \$14,000 for two-bedroom units and now it is 10 percent, and WAPAC had received no information on this change. He indicated that most people did not have \$7,000 as a downpayment to get into the condominiums. Even Rescalvo/O'Connor whom they endorsed is different and he believed that rents should be projected on the future so people will know what to expect. He believed the Agency should require rent estimates at the time of rent-up. He believed that Centurion's statement that they would not raise rents was unrealistic because of inflation and because taxes and maintenance will go up, therefore the rents will also. He believed that Rescalvo/O'Connor was more honest in their presentation and therefore more realistic. WAPAC believes all the rents are too high and should be more in line to serve the people who are in need of apartments. It was his belief that the Agency does not consider sites in the Van Ness Avenue Corridor as part of the Western Addition Area A-2.

Mr. Glickman summarized that WAPAC was concerned that the rents were too high and Mr. Townsend indicated that low rents were needed immediately, and that although he recognized the shortage of housing in San Francisco he believed that family-sized homes should be made available and families should be kept together. Mr. Glickman asked about ownership versus renting since the community could not afford the downpayment, and Mr. Townsend replied that WAPAC supported home ownership because it cuts down on transiency and adds stability to the neighborhood but prices should be kept under control because there has been too much speculation. He believed that \$72,000 was too much for a two-bedroom home, because these go to single adults or small new families. Those who can afford them could buy them but they were too expensive for families with children. President Wexler asked Mr. Townsend his opinion of a two-bedroom unit of 1,100 square feet and one of 750 square feet, and he replied that the larger unit was preferable for families since the smaller unit is mostly for single people or couples.

Ms. Shelley inquired if there was a difference between rebidding or reevaluating the original bids or would the Commissioners now consider just the new proposals. Mr. Hamilton indicated he was referring to a reevaluation of the existing proposal and that Mr. Townsend was speaking about finding none of them acceptable to WAPAC. Mr. Townsend wishes to have all of the proposals rebid since it was found to be difficult to recommend any of them. President Wexler suggested putting over the matter to allow staff and WAPAC time to look at the new

NEW BUSINESS (continued)

material presented today to see if there might be a new recommendation.

Mrs. Mary Rogers of WAPAC came forward and indicated that none of the proposals were acceptable because of the high rents and suggested that all go out to bid, since WAPAC did not receive any of the new information. Mr. O'Connor indicated that his work was free but he believed all proposals should be rejected and put out to bid again. Mr. Glickman indicated that it was necessary to have a more clear understanding of what the Commissioners were voting on. He indicated WAPAC was clear in its opposition but he believed that there needed to be some criteria created for the developers and a philosophy which the Commissioners could provide to the developers so they would know what the Agency wanted. Mr. Hamilton indicated that at best the evaluations of a development proposals were subjective but there were factors that needed to be considered such as rental ranges which were of utmost importance to WAPAC, as well as the unit mix so that it would be known what kind of family units would be available. There were other factors also, such as design, site utilization, and affirmative action programs which the interviewing panel considers, and which are all part of the Agency's criteria. Mr. Hamilton indicated that until a developer can explain what he plans to do there can be no hard and fast criteria. Mr. Glickman indicated that staff had provided the Commissioners with some information which was helpful but the rent structure needed to be kept at what the developers first state to the Commissioners since the rents can go up and the Commissioners have no control over them. Ms. Shelley believed that the goals of WAPAC of creating housing for the needs of the community at rents the community can afford was important. She indicated that anyone could come in with any rent structure and there was no way the Commissioners could look at it later and if rent is important, then what about the past performance of the developer. It would be helpful to know if he has stayed with his projection. Mr. Hamilton responded that this was one of the factors given prime consideration in the original proposals. It includes the extent to which the developers' past experience suggested willingness to hold rents on the site. He indicated that ownership has a bearing on the decision also. He believed that rent levels cannot be restricted and that they must find their own market levels. Mr. Hamilton indicated that the best that can be done is to keep rents within reason. He noted that even rents in subsidized housing have increased to keep up with the high cost of inflation.

President Wexler indicated that these developers had been observed for some time and he would be hesitant to reject all three. He noted that at least one was acceptable and the other two are acceptable in other criteria. If after further study they are all inadequate, President Wexler believed this would be a message to the development community that they should seriously think about taking time to work up their proposals. He did not believe he had heard enough today to reject all bids and that at least one should be satisfactory to the Agency's needs. Mrs. Rogers suggested that the Agency discuss the 236 program with the Department of Housing and Urban Development (HUD) and find out what kind of rental structure it uses, if the Agency wishes to curtail rents. She indicated that the rents have already gone up \$20 to \$30 before the first family moves in. She indicated HUD used adjacent areas to set their rentals. In response to Ms. Shelley's inquiry, Mrs. Rogers recommended that all three proposals be rejected, because the contractors know they can get whatever they want from the Agency since it wishes to complete the re-development area. Ms. Shelley indicated that a dilemma was presented because

NEW BUSINESS (continued)

if all bids are rejected what would happen if a fourth or fifth developer entered the picture. Mr. Townsend indicated it would mean starting over again since what was talked about today was not what WAPAC had considered before but it would make no difference whether the proposals were put out to bid again if affordable rents could not be had. He suggested an alternative use for the site, if effective housing could not be built on it. Mrs. Rogers indicated that there was no way the proposals could be studied in one week since it takes time to do this Mr. Lee indicated that all bids could be rejected or all bids could be reevaluated. Mr. Townsend suggested three weeks to study the proposals.

MOTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that all three proposals be reevaluated, that the developers' presentation made today be put in writing and submitted to WAPAC and staff, and that the rehearing be rescheduled three weeks from today with May 16, 1977 as the deadline for submittal of the proposals in writing.

President Wexler asked if the developers had any problem with this schedule and all three developers indicated there was no problem. Mr. Elekman came forward and concurred with WAPAC's statement that the matter should be reevaluated to determine what else could be done for that site since costs were higher for construction in San Francisco and the community might be better served by designating the site for some other use than rentals. He indicated that HUD rents were already equal to subsidized rents. Mr. Townsend indicated this was because the perimeter properties were so expensive. President Wexler understood Mr. Elekman's statement that costs would be present no matter what was done, and Mr. Elekman reaffirmed that a rental was not feasible on that site.

Agency General Counsel Edwards indicated that there has been neither a disposition nor an award made. President Wexler indicated that there was no action other than to hear from staff and WAPAC three weeks from today and to ask the developers to submit their materials to staff and WAPAC no later than May 16, 1977.

- (f) Resolution No. 99-77 ratifying and approving action of the Executive Director in soliciting bids in connection with construction of a retaining wall of Lot 44, Block 684, Western Addition Approved Redevelopment Project Area A-2; awarding contract to Garrison Construction Company on the basis of low bid received; and authorizing execution thereof.

This represents award of a contract with Garrison Construction Company for \$9,500 to construct a retaining wall separating the proposed parking area from the rear of structures being rehabilitated on Sutter Street in the Victorian Square development. Ninety bids were solicited and twelve contractors picked up bid packages, and three submitted bids. Garrison is a minority contractor who has previously done satisfactory rehabilitation work for the Agency and is fully bondable.

NEW BUSINESS (continued)

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 104-77 awarding a purchase order to Marin Exposed Aggregate Products in the amount of \$20,000 for the purchase of tree-pit covers, Western Addition Approved Redevelopment Project Area A-2.

This concerns a purchase order for \$20,000 to MEAP for 500 precast concrete tree-pit covers to be used to fill openings in the sidewalks around the base of trees planted in the Western Addition Area A-2 project. The covers are of an attractive exposed aggregate design. Ms. Blomquist commented that in November, 1976 the same contract for tree-pit covers was awarded at half the cost and questioned why the contract price had doubled in six months' time. Mr. Hamilton noted that Marin Exposed Aggregate Products had bid \$20,000 which was the low bid of three, and President Wexler inquired why Marin was so much lower than the other two bids. Mr. Lindberg Low, Project Engineer, responded that the same company had done work before under a previous contract and was geared to the manufacturing of exposed aggregate which is more expensive than ordinary concrete work. President Wexler asked where the other two firms got their covers, and Mr. Low replied that they made their own forms. He indicated that this was the second time that Marin had come in as the low bidder and indicated that the work was labor intensive to achieve the decorative exposed effect of the aggregate, which is of a particular design for the Agency's use only. Mr. Glickman asked if the covers were decorative only, and Mr. Low replied that they were designed in four quadrants for easy removal of trash by tree maintenance crews. Ms. Blomquist asked how the top was designed, and Mr. Low replied they were flush with the sidewalk and were of exposed aggregate of the correct texture. Ms. Blomquist suggested that Marin may have a monopoly and could charge what it wished, and President Wexler questioned what the City was paying. Mr. Redmond Kernan, Deputy Executive Director for Planning and Development, replied that the City had no standard size covers and the Agency had to redesign its own, making them thicker because the old covers were too low. The old covers were hard to handle. He indicated that the Agency had paid as much as \$60 for covers and he believed this current price of \$40 was a reasonable one. President Wexler suggested that perhaps the City and Agency could get tougher to propose a standard design. Mr. Kernan indicated that the City will not plant nor maintain street trees and therefore has no incentive to come up with a standard cover design. Mr. Glickman indicated that since these covers had to be custom-made the prices did not seem to be unreasonable.

ADOPTION: It was moved by Mr. Glickman and seconded by Mr. Lee that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Glickman
Mr. Lee
Mr. Wexler

NEW BUSINESS (continued)

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion passed.

- (h) Resolution No. 103-77 authorizing issuance of master note and draw of advances pursuant to loan agreement with Wells Fargo Bank, N.A., for Western Addition Approved Redevelopment Project Area A-2.

This is in connection with implementation of the loan agreement with Wells Fargo Bank for the Residential Rehabilitation Program for Western Addition Area A-2 authorizing issuance of a master note and draw of advances to a maximum of \$3 million. Ms. Blomquist inquired if the loans would be paid back to the Agency by the individuals, and Mr. Hamilton replied affirmatively. President Wexler asked if the program had the support of WAPAC and Mrs. Rogers replied affirmatively. Mr. Townsend indicated that in some cases people with money who could obtain loans elsewhere are using this program but when others who do not have money need the money it will be used up. Ms. Blomquist suggested that staff work out a way to see that the loans go to the right people. Mr. Hamilton indicated he would be interested in knowing the circumstances surrounding those situations because the Agency should have heard about them long before now, since there are two WAPAC members on the loan committee. Ms. Shelley inquired if there was a set of criteria on whether to award a loan or not, and Mr. Hamilton responded affirmatively. Mrs. Rogers indicated the matter could be resolved.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (i) Resolution No. 100-77 conflict of interest code for the San Francisco Redevelopment Agency.

President Wexler indicated that this item would be held over.

ATTENDERS NOT APPEARING ON AGENDA

- (a) Presentation of the Coalition to Support Nihonmachi Tenants

Mr. Mickey Omura came forward and indicated that he wished to read a statement to the Commissioners on behalf of the Coalition to Support Nihonmachi Tenants, as follows:

"In recent years thousands of people have rallied and demonstrated throughout San Francisco to stop the destruction and dispersal of our Third World communities such as Chinatown/Manilatown, Hunters Point and the Western

MATTERS NOT APPEARING ON AGENDA (continued)

Addition and to demand that the government be held responsible for providing decent low-rent housing. For instance, just four months ago over 5,000 people came out to stop the eviction of the tenants at the International Hotel and demonstrated their firm support for the tenants' rights to remain in the Chinatown/Manilatown community at rents they can afford. And in Nihonmachi/Japantown the workers and small shopkeepers have actively resisted for over five years against the Redevelopment Agency's attempts to further destroy the Japanese community and the low-rent housing it has historically provided.

"On April 13, 1977, attorneys for the Redevelopment Agency filed a Writ of Possession for buildings located in the Japanese community at 1531 Sutter Street and 1869 Buchanan Street. Once the Sheriff received the Writs from RDA, deputies posted 'Notices to Vacate' on the two buildings which set next Sunday, May 15, as the date for the evictions.

"We represent a delegation from the Coalition to Support Nihonmachi Tenants. Our coalition includes many organizations such as the Committee Against Nihonmachi Eviction, Nihonmachi Little Friends, the Tenants Action Group, and the Asian Student Unions of Berkeley, Laney and San Francisco State. In all, there are over 20 organizations either participating or endorsing our work. We have organized to support the struggle of the tenants in the two buildings to remain in the Japanese community. We also support the proposal that the RDA get together with the tenants or their representatives so that the buildings may be purchased and maintained as low-rent housing.

"The tenants of the buildings are threatened with eviction even though they wish to make arrangements with the Agency for a purchase of the buildings which will guarantee them as low-rent housing. The Agency must halt the evictions. The Agency must contact the Sheriff and say that it no longer wishes the evictions to take place under the present circumstances. The Sheriff's office has told our members that before any eviction takes place, it will contact the owner of the building to confirm that the owner still wished it carried out. The Agency must tell the Sheriff that it does not want the evictions to take place.

"Many persons in San Francisco oppose the evictions and the Agency's plans to demolish the buildings. Over 2,000 people have signed petitions stating just that. We hope that many of these people will come to the demonstration which we will hold on this Sunday, the day of the evictions. We will oppose any attempt to evict the tenants. And we will hold the RDA responsible for whatever happens on that day. In conclusion, what we are demanding today is that this Board halt all evictions until a purchase, approved by the tenants, can be arranged which will guarantee maintenance of the two sites as low-rent housing."

At this point, Mr. Omura submitted a petition which he noted contained 2,000 signatures supporting the demand put forward by the Committee Against Nihonmachi Eviction (CANE) namely, that they have a right to a Japanese community which meets their needs as workers and small shopkeepers and that the destruction and dispersal of the historic Japanese community be stopped. Specifically, the petition demanded that the Agency immediately halt the evictions of tenants at 1531 Sutter Street and 1869 Buchanan Street and that

MATTERS NOT APPEARING ON AGENDA (continued)

the Agency immediately repair these buildings and the Sutter/Laguna buildings for permanent low-rent housing.

President Wexler inquired about the status of the evictions and the Agency's power, if any, and also the status of any consideration of rehabilitating the buildings. Mr. Hamilton responded that it is appropriate to separate the two issues. The legal implications of the issues before the Commissioners are as follows. The City's Bureau of Building Inspection has deemed the two buildings at 1531 Sutter and 1869 Buchanan Streets as containing life hazards and this is separate and definitive from any Agency determination. On November 18, 1976, Superior Court Judge John Benson ordered the buildings vacated as soon as possible and on January 27, 1977 he ordered them vacated immediately, again because of life hazards. Mr. Hamilton indicated that the Agency had attempted to survey persons who occupy the buildings and has determined that three single persons and one married couple reside in four apartments at 1531 Sutter, and one married couple resides at 1869 Buchanan Street, which represents five households, including seven people in all. Since Judge Benson's original order to vacate, the rehousing staff of the Agency has attempted to work with the ten tenants to rehouse them in better and safer accommodations with full relocation benefits despite interference by CANE. All but one of the households report incomes and rent-paying abilities to afford much better housing. Mr. Hamilton drew the distinction that this was not an International Hotel situation with retired people on very low incomes because these were working people with good jobs. He also indicated that much better housing in the area was available at rents all of the households could afford, and that the Agency has a rent subsidy or assistance program which can make up any differences. Mr. Hamilton also noted that the Nihonmachi Community Development Corporation, which was formed eight years ago by 60 percent of the property owners and tenants in the area, has been dealing with these issues and is supportive since it has created its own plan of development for the area consisting of a mix of residential and commercial uses. The Agency is not insensitive to the issues raised but it was Mr. Hamilton's opinion that the legal issues should be separated from those of rehabilitation, since the order to vacate is that of the Superior Court. Mr. Hamilton indicated that the Judge wanted the buildings vacated by May 15, 1977. Mr. Hamilton indicated that the Agency can deal with the question of rehabilitation and retention, or whatever is suggested. However, the vacation of the buildings either voluntarily or by the offices of the Sheriff must be considered because the Agency is under Court order to proceed with those evictions.

President Wexler asked if the Agency had solicited the Court order, and Mr. Hamilton replied that the City's Bureau of Building Inspection response was not initiated by the Agency, since that department makes its own inspections and then submits its report to the City and County of San Francisco. This then became the subject in Judge Benson's Court and is a City action not an Agency one. Mr. Omura alleged that the Agency had worked with Judge Benson by claiming that there were life hazards in the buildings.

President Wexler asked if the Agency's rehabilitation staff and the Western Addition Project Area Committee (WAPAC) were looking at 1531 Sutter Street

MATTERS NOT APPEARING ON AGENDA (continued)

to ascertain whether or not it is suitable to be rehabilitated for low-income housing. Mr. Hamilton replied that this building has been identified to be looked at for possible rehabilitation. President Wexler asked Mr. Omura if he had contacted WAPAC, and he replied that his group was beginning to meet with WAPAC. President Wexler indicated approval of this contact. Mr. Omura stressed that he was not asking the Agency to rehabilitate the structure but only that the Agency stop the evictions in both buildings. He would like to discuss rehabilitation but stay the evictions. President Wexler indicated that it was not within the power of the Agency to stop the evictions, however he inquired of Agency General Counsel Tilden H. Edwards if anything could be done to achieve this result. Mr. Edwards replied that at the present time the Court order is a final order and is unequivocal, based upon the factor of life safety hazards being present. He indicated that the Agency could not act unilaterally but must move with the situation either to seek the Court's permission to postpone evictions or to terminate the order. As the situation now stands there is no choice, because the Agency has been informed it will be in contempt if it does not do something about the matter by May 26, 1977.

Mrs. Mary Rogers of WAPAC came forward and indicated she was also a supporter of CANE. She asked if there was any way the eviction could be stopped since it was thought that the Sutter Street properties could be rehabilitated. She recognized the fact that 1869 Buchanan Street was not to be considered because the Nihonmachi Community Development Corporation already had a developer for that parcel, but the properties at 1531 Sutter Street were potentially rehabilitable. It was her belief that the Agency should go in and correct whatever was wrong. President Wexler responded that at this point the most the Agency could do would be to instruct staff to go to Court and make a request to Judge Benson to either change or postpone his order, but he did not know if the Agency would be successful or not. Mr. Omura again alleged that the Agency preferred to state that the buildings were hazardous but in his opinion they were not unsafe. He believed that the safety problems were not so great as to cause eviction of tenants. He indicated he would contact the owners of the buildings to find out whether they wanted evictions to be carried out.

Mr. Gene Suttle, Area Director for Western Addition A-2, came forward and verified that 1869 Buchanan Street was indeed under agreement with the Nihonmachi Community Development Corporation and that the site was already allocated. Mr. Suttle indicated that he had spoken to Mr. Brian Spears, attorney representing the tenants in the Sutter Street properties. Mr. Spears had called the Sheriff's Department and indicated that the Agency or the tenants were going to buy the buildings. Mr. Suttle indicated that in his discussions with Mr. Spears, it was pointed out that the Agency was willing to discuss any potential rehabilitation of the Sutter Street buildings but that the Buchanan Street building was in a shareholders corporation. He indicated that Judge Benson had made the determination that life safety hazards were present and the matter had already been litigated.

MATTERS NOT APPEARING ON AGENDA (continued)

President Wexler inquired of Mr. Omura, that if the Commissioners were to vote to request that Judge Benson consider staying his order of eviction on 1531 Sutter Street only while explorations were being carried out since the Buchanan Street site is already committed to other development, and also recognizing that the Agency has no control over his decision, would it be acceptable to the Coalition to have the tenants voluntarily vacate 1869 Buchanan Street and to work with the Agency staff and WAPAC to explore possibilities of retaining and rehabilitating the 1531 Sutter Street parcel. He asked for Mr. Omura's response. Mr. Omura responded that it was his opinion that the Agency did have control over Judge Benson and the Sheriff, but the Coalition would accept 1531 Sutter Street and whatever attempts the Agency would make in contacting the Judge and Sheriff to stop the evictions. He indicated that there was a tenant in the 1869 Buchanan Street building and he believed that the Agency should stay that eviction also, and he suggested that the site should be allocated to the tenants. He believed that the tenants would not move any-way. From the response, President Wexler made the assumption that the offer was unacceptable.

Mr. Arnold Townsend of WAPAC came forward and indicated that he was not in favor of the way the Agency has been dealing with this property and suggested that the Agency could move the buildings to another site. He believed these suggestions should be explored and indicated that WAPAC did not support demolition of housing. It was his opinion that \$600 in monthly rent was more of a hazard and that something could be done with the buildings first. President Wexler indicated that nothing was said about demolishing any buildings and that the discussion was not related to demolition of 1869 Buchanan Street or the possibility of moving it since no decision had yet been made.

Mr. Edwards indicated that the decision of Judge Benson was based upon evidence produced by the City's Bureau of Building Inspection and that department would have to perjure itself to now testify that such life hazards do not exist. The Agency would have to show that there is another plan or program that something is going to be done and that people there would be safe from life hazards. The Agency cannot address itself to the Sheriff on the matter. President Wexler indicated he was well aware that Judge Benson was the only person who actually has any control and that the Sheriff could do nothing. Judge Benson is an independent judge who has received the highest ratings in the recent San Francisco lawyer poll.

Mr. Omura indicated that the Agency could stop the evictions taking place on May 15, 1977 and that he did not believe that the buildings were unsafe. He claimed that the Agency had the buildings for years and had let them get into a run-down condition.

Ms. Shelley indicated that in her opinion it was not the role of the Agency to predict what Judge Benson would do but that the Agency had its own role to play and that was to make a decision as to what is right at the moment. She recommended that the Agency urge Judge Benson not to press forward with the evictions on Sutter Street. Mr. Lee inquired what kind of building was

MATTERS NOT APPEARING ON AGENDA (continued)

located at 1531 Sutter Street, and Mr. Hamilton replied it was a 16-unit apartment at the corner of Octavia Street. President Wexler indicated that some possibilities have been explored today and the Coalition has made its position clear, but he was now interested in hearing any recommendations that staff would like to make. Mr. Hamilton indicated that he would like to mention that the 1869 Buchanan Street site is allocated to the Nihonmachi Community Development Corporation and before anything is done that would represent a policy change on that site, the Corporation would have to be advised of that possibility and be present to speak for itself. The property at 1531 Sutter Street, however, is being included in discussions regarding rehabilitation possibilities. President Wexler indicated that rehabilitation was being considered but not on the basis that the Agency would make any repairs that were necessary. Mrs. Rogers indicated that 1531 Sutter was not in the Nihonmachi Corporation and it could be moved. Mr. Townsend indicated that the Agency was planning to demolish the building at Post and Buchanan and if buildings continued to be vacated the Agency would end up tearing them down eventually, because these buildings become deteriorated. It was his belief that people should be allowed to remain in the buildings to prevent vandalism, even if the Agency has to correct life safety hazards. Mr. Omura indicated that the Agency could request the Nihonmachi Corporation to agree that no evictions take place at 1869 Buchanan Street. President Wexler inquired if there was a time schedule for 1869 Buchanan and Mr. Suttle replied that it was not being vacated for the reason of a development schedule but because of the life safety hazards the building contains. President Wexler asked Mr. Suttle what he thought of asking Judge Benson for a stay of the evictions at this time, and Mr. Suttle replied that if this was the Commissioners' favor this was acceptable but his thought was that he had sufficient problems as the situation was now. He indicated that the Agency had just begun to evaluate a different way to offer the buildings, and this process takes some time to develop, and whether the tenants rehabilitate the buildings or the rehabilitation work is put out to bid, the plan must be economically feasible. In any event, the 1869 Buchanan Street building would have to be vacated and moved because of the commitment to the Nihonmachi Community Development Corporation.

MOTION: It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that Agency General Counsel be, and he is hereby authorized and instructed to request Judge John E. Benson to stay the eviction and demolition orders and Writs of Possession with respect to 1531 Sutter Street and 1869 Buchanan Street to permit the Redevelopment Agency, the present tenants and WAPAC time to explore the possibilities of curing life hazard conditions and rehabilitating these structures or moving them to another site.

President Wexler indicated that in preparing the request to Judge John E. Benson that the Executive Director prepare the necessary resolution to formalize this motion and to include supporting findings in conformity with the minutes of this meeting together with the history and fact material preliminarily furnished to the Commissioners and the files and records of the Agency, for the approval and signature of the President. Also, that the resolution shall be attached to the minutes of this meeting.

MATTERS NOT APPEARING ON AGENDA (continued)

President Wexler noted that the Sheriff does what the Court directs him to do and it is not within the legal power of the Agency to advise the Sheriff what to do. Mr. Hamilton indicated that there was no impediment since the buildings could be moved. He indicated that the legal staff will be directed to make a request at the appropriate time to Judge Benson to consider allowing stopping the evictions and allowing the tenants to remain while methods of rehabilitating the buildings are being explored.

ADJOURNMENT

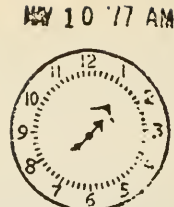
It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 7:30 o'clock p.m.

Respectfully submitted,


Elsie M. Landry
Assistant Secretary

BAYVIEW - HUNTERS POINT
COMMUNITY COORDINATING COUNCIL
100 Whitney Young Circle, San Francisco, California 94124

May 9, 1977



RECEIVED
SAN FRANCISCO
REDEVELOPMENT AGENCY
1-981-107

Mr. Wilbur Hamilton, Executive Director
San Francisco Redevelopment Agency
Post Office Box 646
San Francisco, California 94101

Dear Mr. Hamilton:

It has come to our attention that Bay Cities Paving and Grading Company was the recent low bidder on a site improvement contract for India Basin Industrial Park. This letter is to inform you that this organization is opposed to your Agency awarding to Bay Cities this site improvement contract, or any other work in this community.

As has been expressed on previous occasions, both to the present Redevelopment Agency Commission and to your predecessors, Bay Cities has caused far too much suffering in this neighborhood. Their mere presence is a constant reminder of the tragedies our neighbors have endured as a result of their negligence. The loss of three young lives is a heavy debt for us to have paid. It would be morally wrong for this community to take any other position than to oppose Bay Cities working here.

It is our understanding that the Agency has recently filed with the Department of Housing and Urban Development a complaint against Bay Cities, based on their horrible safety record, that requests their exclusion from any construction or demolition contracts in Hunters Point and Western Addition-A2. We support this complaint but feel that Bay Cities should also be excluded from India Basin as well. We have reviewed with Mr. Mills the development schedule for India Basin and are aware that your Agency staff will possibly recommend that Bay Cities be awarded this contract. Such a decision on the part of your Commission will have to be made without the support of this organization and is an action that the consciences of the individual commissioners must bear. It must also be understood that we are not suggesting that the contract be awarded to the second lowest bidder nor that it be re-advertised. That is a decision for the Commission to make.

In summary, to re-state our position, we urge that the Redevelopment Agency not contract any work whatsoever in Hunters Point or India Basin to Bay Cities Paving and Grading.

Sincerely,

Shirley Jones
Chairperson



BAYVIEW-HUNTERS POINT JOINT HOUSING COMMITTEE

San Francisco, California 94124

(415) 821-7274

MAY 10 '77 AM



Mr. Claude Carpenter, Chairman

Mrs. Paula Young, Vice Chairman

RECEIVED
SAN FRANCISCO
REDEVELOPMENT AGENCY

1-980-108

May 10, 1977

Mr. Wilbur W. Hamilton, Executive Director
San Francisco Redevelopment Agency
939 Ellis Street
San Francisco, California

Dear Mr. Hamilton

This is to inform you that, in a vote taken on May 9, 1977, a majority of the members of the Board of Directors voted against a resolution to exclude Bay Cities Paving and Grading from working in this Community.

Sincerely

Claude Carpenter
Claude Carpenter
Chairman

5-17-77

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF MAY 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of May 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

and the following were absent:

Joan-Marie Shelley, Vice President
Walter F. Kaplan

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Ed Crocker, and Dexter Woods, Western Addition Project Area Committee (WAPAC); R. G. Barrett, Halloran Associates; Mas Ashizawa, Soto Hardware; and Essie Collins and Carson Barnes, interested citizens.

Representing the press were Donald Canter, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1101-C, Western Addition Approved Redevelopment Project Area A-2

- (a) President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1101-C, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Discussions and negotiations were held with representatives of the Western Addition Project Area Committee (WAPAC) on the matter involving the 1531 Sutter and 1869 Buchanan Streets properties and considerations for development and packaging of a sweat equity approach. As a result, an agreement was reached resolving the conflict which will be the subject of an off-agenda item later in the meeting.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) At the May 10, 1977 meeting it was resolved that the Agency's legal division would request Superior Court Judge John E. Benson to stay the eviction order on 1531 Sutter and 1869 Buchanan Streets until May 26, 1977. At a hearing on May 12, 1977 Judge Benson granted a motion to that effect. Arrangements were made in advance that staff meet with the tenants' representatives, City building inspector, and cost estimator on May 18, 1977 to inspect the premises and prepare a report regarding the cost of correction of existing life safety hazards and looking at possibilities of rehabilitating or removing the buildings. That report with staff recommendations will be furnished to the Commissioners on May 20, 1977 for consideration at the Agency meeting of May 24, 1977. The Agency is to report back on May 26, 1977 to the Court with a decision in respect to the life safety hazards, and if the Agency is not to correct these hazards the Writ of Possession will be reinstated forthwith.

President Wexler inquired if the CANE group would be involved in discussions with staff and WAPAC once the dollar figures are determined on the two buildings, and Mr. Hamilton responded that they would be present both before and after the findings.

- (c) Mr. Hamilton reported that on Saturday, May 21, 1977, from 1 to 3 p.m., Mr. Rai Okomoto, Director of the Department of City Planning, will conduct a public meeting to discuss the feasibility of a Rehabilitation Assistance Program in Bayview-North. The meeting is the first step toward designation of the area for the RAP program. This area has already been designated by the Board of Supervisors as a redevelopment survey area. The meeting is to be held at the Joseph T. Lee Recreation Center on Mendell between Newcomb Streets and Oakdale Avenue, and the public and Commissioners are invited.
- (d) Yesterday the Board of Supervisors approved an application to the Department of Housing and Urban Development (HUD) for funds totaling \$2,205,758. Once HUD has approved the application it will provide for: a park in Phase II of Hunters Point at a cost of \$250,000; improvements to Newhall and Keith Streets in the India Basin Industrial Park at \$705,758; and rehabilitation of Agency-owned properties in the Western Addition Area A-2 project at a cost of \$1,250,000. It is anticipated that HUD will shortly approve this application.

NEW BUSINESS

- (a) Resolution No. 106-77 approving the disposition price and method of sale; ratifying publication of notice of public hearing; authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 1101-C, Western Addition Approved Redevelopment Project Area A-2.

This item was the subject of the public hearing just held and concerns disposition of Parcel 1101-C at 1343 Divisadero Street to Essie L. Collins for \$12,500 for rehabilitation of a four-unit building at a cost of \$76,484. Mrs. Collins will use the Western Addition Rehabilitation Loan Program as part of the financing to purchase, rehabilitate, and develop the parcel in compliance with City codes and Western Addition A-2 Rehabilitation Standards.

Mr. Glickman inquired if Mrs. Collins was a member of the loan committee and Mr. Hamilton asked Mrs. Mary Rogers of WAPAC to respond. Mrs. Rogers

NEW BUSINESS (continued)

replied that Mrs. Collins would not participate in any discussion dealing with this loan. Mr. Lee inquired what the total cost of the property was and where the money would come from, and Mr. Hamilton indicated it was \$12,500 for the land and \$76,484 for the estimated cost of rehabilitation. Mr. William McClure, Director of the Rehabilitation Division, in response to an inquiry from President Wexler, indicated that this was a firm bid entered into with the contractor to do the work and that Mrs. Collins's bid was the highest for the land and improvements. President Wexler inquired if there was any question of certificate of preference holders and Mr. Gene Suttle, Area Director for Western Addition Area A-2, responded that there had been no certificate of preference holders bidding on this particular property.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 96-77 rejecting all bids received in connection with Demolition and Site Clearance Contract No. 69 in the Western Addition Approved Redevelopment Project Area A-2.

This concerns the rejection of all bids for Demolition and Site Clearance Contract No. 69 in the Western Addition Area A-2 project for which Bay Cities Paving and Grading, Inc. was the apparent low bidder. Although the California Board of Contractors has placed the Bay Cities firm on a two-years' probation, this does not preclude the firm from bidding upon or being awarded demolition jobs such as this contract.

Recently, there have been a number of discussions with WAPAC concerning buildings suitable for residential rehabilitation that might be programmed in such a way as to bring the rehabilitation costs more within the economic range of people in the community. There is an agreement with WAPAC that there will be a moratorium pending review of all buildings scheduled for demolition in order to determine the extent to which they needed to be exempted, while at the same time looking at others to be included in the rehabilitation package. As a result, a number of the structures included in this demolition contract now have to be deleted from the original bid package. When these buildings have been exempted from the moratorium by staff analysis with WAPAC, a request for readvertisement of the demolition contract will be brought back to the Commissioners as soon as possible.

Dr. Williams asked what effect this would have on the Nihonmachi owners who had been working on their developments for some time, because it was not his intention to damage innocent parties. Mr. Hamilton indicated that one of the developers, Mr. Mas Ashizawa who owns the Soko Hardware store on Post Street was present and could speak to this issue. He indicated that Mr. Ashizawa was affected to the extent that the Agency had found it necessary to delete his property, plus two others belonging to the Hokubei Mainichi Newspaper Company and the Wong family, from the bid package. Due to development priority, the two latter properties will be done quickly. President Wexler indicated that the reasons for having to reject all bids was because the bids were based on all the parcels and to remove any particular parcel from scheduled demolition requires rejection of all bids and development of a new package for rebidding.

NEW BUSINESS (continued)

Mr. Mas Ashizawa came forward and indicated that he found it difficult to understand why there had to be a blanket rejection of all parcels because there was only 1869 Buchanan Street which was a residential property, while all others were commercially zoned parcels and had been allocated to developers many years ago. He indicated that much time and effort had been expended and by working on a tight schedule he hoped to have his development under construction by August. It was his contention that if all parcels were rejected it would cause delays resulting in higher costs to himself and would present a hardship. He asked if there was any possibility of eliminating certain commercial developments from this blanket rejection if appropriate to do so. Mr. Suttle indicated that he had appeared before the Nihonmachi Community Development Corporation board last week on this and other issues and had indicated the reasons the bids were being rejected. He indicated that within six weeks it would be determined which buildings would be included in a new demolition bid.

In response to President Wexler's inquiry, Mr. Suttle indicated that the bids would be back for action to the Members in six-weeks' time.

Dr. Williams asked about the tenants in the building belonging to Mr. Ashizawa and Mr. Suttle indicated there was one tenant who does not have a relocation resource, and also one tenant each in the Wong and Hokubei Mainichi sites with whom the Agency's relocation division is in contact. President Wexler asked Mr. Ashizawa if there were any further concerns, and he responded that if the Agency kept to the proposed demolition schedule he would be able to commence construction as planned in August.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 107-77 awarding Site Improvement Contract No. 22 to Lewis M. Merlo, Inc., Western Addition Approved Redevelopment Project Area A-2.

This concerns award of Site Improvement Contract No. 22 to Lewis M. Merlo, Inc., the lowest bidder, for \$17,678 for construction of sidewalks and curbs at Laurel Gardens, Moderate-Priced Private Housing Site No. 17, along Turk, Steiner, and Pierce Streets. Both WAPAC and Agency staff have reviewed the affirmative action program and found it and the lowest bidder to be satisfactory. Dr. Williams inquired if there were any minority bidders and Mr. Suttle replied negatively, noting that an agreement was worked out to have a crew selected from the community area.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

At this point, President Wexler left the meeting at 4:45 p.m. and turned the Chair over to Dr. Williams, Acting President.

- (d) Resolution No. 108-77 approving purchase order to Pacific Gas and Electric Company for temporary relocation of power facilities within the Hunters Point Redevelopment Project NDP A-5.

This item concerns issuance of a purchase order to the Pacific Gas and Electric Company not to exceed \$6,074 to remove an existing overhead power

NEW BUSINESS (continued)

line and construct a temporary line until an underground system is constructed. This work will maintain interim electric power to Sir Francis Drake School and the Hunters Point Youth Park.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 100-77 conflict of interest for the San Francisco Redevelopment Agency.

Mr. Hamilton indicated that this item was held over from the previous meeting and concerned revision to the Agency's Conflict of Interest Code, adopted June 22, 1976, to reflect the reduction in the number of employee positions previously subject to financial disclosure. Amendments to the State law require such modifications in the current document.

President Wexler returned to the meeting at 4:50 p.m. and resumed the Chair.

Mr. Hamilton indicated that Mr. David Oster, Agency Attorney, would make a presentation to the Commissioners. Mr. Oster indicated that although it was a Conflict of Interest Code it was also a Code of Financial Disclosure. He indicated that the Government's Political Reform Act requires that such a Code be adopted which will be sent to the Board of Supervisors for its approval after the Commissioners have approved it. The Fair Political Practices Commission provided the Board of Supervisors with a model Code and the Agency adopted it to its needs. Subsequent to June 22, 1976 there have been amendments to the State law which required the Agency to change its Code in three respects. One change relates to filing procedures whereby all disclosure forms were given to the Executive Director and then forwarded to the Board of Supervisors. This requirement has been changed by State law and now the disclosure forms for only the Executive Director and Commissioners must be forwarded to the Board of Supervisors, but all other employees are to be kept with the Executive Director and not be forwarded. The second change deals with the definition of a consultant and the third amendment changes the criteria for determining when an employee participates in the making of a contractual decision. Certain employees' classifications were deleted and the effect was to eliminate certain employees from filing disclosure forms but does not add employees. There was no change other than filing requirements applying to disclosure requirements of the Commissioners. Mr. Oster indicated there were minor changes in the Code on page 3, Section 400, Part B, concerning department heads who receive statement of financial interest, which should be amended to read Executive Director and each Commissioner in place of department head throughout the paragraph, because of the change in filing procedures.

Mr. Oster indicated that the Code before the Commissioners was prepared by the Agency based upon the Code supplied by the Fair Employment Practices Commission and was adopted by the Board of Supervisors. He indicated that the legal staff was available to supply answers to any particular disclosure questions the Commissioners might have. There were no other changes from the old Code than the aforementioned items.

President Wexler asked for an identification of the types of persons deleted, and Mr. Oster replied that examples of these types would be

NEW BUSINESS (continued)

Mortgage Finance Counselor, Attorney I, Attorney II, and Community Services Representatives I, II, and III. President Wexler inquired if this deletion was done because of legislation, case law, or interpretation by the State, and Mr. Oster replied it was due to legislation and that the Code was prepared in connection with the City Attorney's Office.

Ms. Blomquist indicated that in Exhibit "B", Category I. was important and she believed it should be applicable to all employees. Mr. Oster indicated that Category I. is concerned with investments and income in real property and business equity connections. The FEPC indicated it was unnecessary to have this broad disclosure since Categories 2, 3, and 6 overlapped in this respect.

In response to Dr. Williams's inquiry, Mr. Oster indicated that disclosure is required only if financial interests of the church of which Dr. Williams is Pastor were affected.

ADOPTION: It was moved by Mr. Glickman, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton indicated that there had been discussions held with WAPAC regarding concerns about rehabilitation and the prospect of putting together a method to deal with the problem. An agreement has been reached and Mr. Hamilton indicated President Wexler would read the rehabilitation agreement, as reviewed and agreed upon by WAPAC and Agency staff. As a result of this agreement it would therefore be appropriate to rescind the bids awarded to Willie Ballard and David Mischel on 1207 and 1211 Scott Street and rescind Resolution No. 75-77, adopted May 3, 1977. President Wexler read the following statement regarding the moratorium on in-house rehabilitation of single-family dwellings and on rehabilitation and demolitions of single-family dwellings:

"During the moratorium, the Agency will work jointly with WAPAC to establish an appropriate vehicle for selection of owners of remaining single-family homes and owners for the units to be included in the condominium program. Staff has begun investigation with WAPAC the establishment of a local housing corporation to this end. At an early date, an appropriate self-help project or building will be selected from the universe of properties, including the Scott Street buildings which have been vacated. In regard to the prospect of moving buildings scheduled for demolition, WAPAC has been provided with the total inventory of structures slated for clearance and rehabilitation. WAPAC has already met with CANE in regard to including the Sutter Street buildings and the Buchanan Street properties in the jurisdiction."

President Wexler indicated that was the end of the statement, but he would like to add a comment on behalf of the Commissioners to put this into better perspective. He indicated that this Commission was fully committed as shown by its previous actions to attempting to lower costs of single-family housing and to making that housing available to community people of lower-income in the Western Addition A-2 community. It was to this end that the Commissioners unanimously voted to have the Ellis Street property set aside for specific review for this program. The agreement as now stated

MATTERS NOT APPEARING ON AGENDA (continued)

envisions setting up a local housing corporation to help determine which buildings are appropriate for such self-help programs and also what additional assistance can be marshalled from the community to carry out the program and establish an appropriate mechanism for selection of individuals who would be awarded the contracts that are so designated. By having such a housing corporation established the Agency will be able to effectively carry through the kind of program that is desired to be established and at the same time what is embarked upon will be successfully completed.

MOTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that Resolution No. 75-77, adopted May 3, 1977, ratifying and approving action of the Executive Director in soliciting bids in connection with rehabilitation of Agency-owned structures on Lots 4 and 3 (1207 and 1211 Scott Street) in Block 1127, Western Addition Approved Redevelopment Project Area A-2; awarding contracts to Willie Ballard and David Mischel on the basis of low bids received; and authorizing execution thereof, be rescinded.

Mr. Hamilton Indicated that there has been concern on the part of the staff in connection with the developers' agreement about this matter between the Agency and WAPAC and the staff was not indifferent to minority contractors who through no fault of their own were caught up in the resolution of a difficult situation. Staff has explored the injuries and it is the present judgment that better care must be taken to deal with the minority contractors in matters such as the present one so that an undue economic burden will not be pressed upon them. Mr. Hamilton indicated that an assessment of costs attributable to the situation, which are small, will be presented to the Commissioners in order that an equitable adjustment may be made to the minority contractors who labor under great difficulty.

Dr. Williams indicated that this program would offer neighborhood people an opportunity to obtain a home in that area and he urged staff to liberate itself from former ways that may hamper the program.

Mr. Arnold Townsend of WAPAC came forward and indicated his understanding that a local housing corporation would be created as a vehicle for embarking upon a demonstration project to enable people to rehabilitate their own homes and that there would be a rescinding of the Scott Street properties resolution and a moratorium on demolishing further any buildings in Western Addition A-2 while the corporation was being set up. He suggested that the Agency obtain outside parties to do the cost analysis for rehabilitation work because of inconsistent facts. He indicated it would help WAPAC in the beginning to make certain everything being paid was the actual cost to the Agency. President Wexler indicated that the staff has the guidelines to work with WAPAC and it is anticipated that a report would be made to the Commissioners on whatever was agreed upon, and action would be undertaken at that time. President Wexler indicated that the common goal of being able to deliver housing at an affordable price to low-income people was being sought and should any difficulties be encountered these would be resolved. Dr. Williams asked if a vote should be taken on the agreement, and Mr. Hamilton responded that if the Commissioners wished to execute the agreement by resolution it would be proper, but if so, then the WAPAC Board should also proceed likewise. He indicated that the WAPAC

MATTERS NOT APPEARING ON AGENDA (continued)

Board had reviewed the agreement. President Wexler indicated that the success or failure of the program would depend upon the efforts already under way between WAPAC and the staff and that power should not be put in terms of an agreement but in people. He had no objections to having an appropriate resolution approved by WAPAC and then brought before the Commissioners at the next meeting if it is believed it would be of benefit in moving the program along. Mrs. Rogers came forward and indicated her understanding that the Commissioners were instructing Agency staff to continue working with WAPAC and if an agreement can be reached, something would be presented in writing to the Commissioners next week. President Wexler indicated that the staff was at the point of implementing the local housing corporation, but nothing could be implemented today. Mrs. Rogers thanked President Wexler for his instructions to staff. Mr. Townsend indicated that either the agreement was approved or it was not and that he needed to know where the Commissioners stood. President Wexler indicated that the other Commissioners were in support with the agreement in principle, and it is anticipated that a resolution in the appropriate form would be before the Commissioners next week; however, it should go before the WAPAC Board first for its approval. Dr. Williams indicated WAPAC should have a written agreement, and there was nothing wrong with having the WAPAC Board concur. Ms. Blomquist indicated there was no problem, and that the resolution could be considered next week. Mr. Hamilton indicated that the Commissioners were approving the agreement with respect to principle and specifics, and next week they would confirm it by actual resolution.

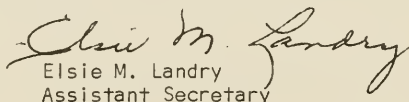
MOTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that the principles as set forth in the Agency/WAPAC agreement concerning the moratorium on in-house rehabilitation and demolition of single-family dwellings represent the policy of the Agency to fulfill the specifics of that agreement, and that a resolution be prepared incorporating those specifics to be presented at the May 24, 1977 Agency meeting, be adopted.

President Wexler indicated that he was hopeful the housing corporation would determine which buildings were appropriate for rehabilitation and that staff and WAPAC would work together to achieve this result.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:20 p.m.

Respectfully submitted,


Elsie M. Landry
Assistant Secretary

5
24-77
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF MAY 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of May 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

and the following was absent:

Walter F. Kaplan

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Ed Crocker, Wade Woods, Essie Collins, and Benny Stewart, Western Addition Project Area Committee (WAPAC); M. Sprouse, League of Women Voters of San Francisco; David Bradwell, David Bradwell and Associates; Peter Mendelsohn, TOOR-TODOCO; Waverly Jenkins, Emmory Curtis and Associates; Gerald Johnson, and Chris Papesh, Bureau of the Budget, Board of Supervisors of the City and County of San Francisco; Mickey Omura, Joan Takino, and Brian Spears, representing the Citizens Against Nihonmachi Eviction (CANE); and Mas Ashizawa, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Dan Borsuck, San Francisco Progress; Bob Jimenez, KRON TV Channel 4; Isabel Duron, KTVU Channel 2; Peter Mingori, Sun Reporter; and Frank Ling, San Francisco Journal.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of a Regular Meeting of May 10, 1977 and the minutes of an Executive Meeting of May 17, 1977, as corrected and as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The 36th Annual Conference of the Pacific Southwest Regional Council of the National Association of Housing and Redevelopment Officials (NAHRO) ended today, with an attendance of from 300 to 400. Lieutenant Governor Mervyn Dymally,

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mayor George Moscone, James Price, Area Director of the Department of Housing and Urban Development, Alan Rothenberg, Dr. Hannibal A. Williams, and other were present at the conference and discussions on Community Development legislation, housing subsidies, economic development, and urban affairs media contributed to an informative and successful conference.

- (b) Mr. Hamilton recalled that on April 19, 1977 the Commissioners granted an extension of time to Arcon/Pacific Ltd. on the disposition agreements to permit negotiation of an understanding with the developer for the private sites in the Yerba Buena Center Central Blocks. These negotiations have progressed to the point where staff will soon be able to make recommendations to the Commissioners.
- (c) In connection with the Community Development funding allocation for 1978 the citizens' participation in the budgeting process will begin tonight with a public hearing on community needs. Another hearing will be held on May 26, 1977 at 7:30 p.m. The hearings will all be held in the Chambers of the Board of Supervisors.

EW BUSINESS

- (a) Resolution No. 110-77 authorizing refund to Ring Brothers Diamond Heights Company and Ring Brothers Gold Mine Hill Company of portion of performance deposit in connection with Parcels H-1, H-2, H-3, P-23 through P-27, and P-28, Diamond Heights Approved Redevelopment Project Area B-1.

It is recommended that a portion of the performance deposits be refunded to Ring Brothers Diamond Heights Company in the amount of \$55,175 and to Ring Brothers Gold Mine Hill Company of \$20,425. These refunds are the pro rata share of deposit for completed construction. Ring Brothers Diamond Heights Company has completed 36 townhouses and 396 apartments, and 32 townhouses remain to be constructed. Gold Mine Hill Company has completed 12 condominiums and 252 apartments and 25 condominiums are under construction. The total deposits were \$142,525 and \$75,600, respectively, for these developers. Mr. Hamilton requested Mr. Quintin McMahon, Director of Real Estate, Marketing and Business Development to comment further. Mr. McMahon indicated that this item was in accordance with Agency policy whereby developers are refunded portions of their performance deposits made at the time the disposition agreement was entered into and when the certificate of completion is recorded, the pro rata share of the developer's deposit is returned. Mr. McMahon recalled that the Ring Brothers development was on parcels originally designated for development by the General Electric Company which had not been able to proceed and that there had been problems with unstable soils which limited the number of units that could be constructed on the sites. Ring Brothers Diamond Heights Company expects to have the remaining 32 townhouses under construction this July.

In response to Mr. Lee's inquiry, Mr. McMahon noted that the deposit money was in an interest bearing account which accrued to the Agency.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (b) Resolution No. 112-77 approving and authorizing execution of agreement for services with Curtis Associates, Keyser Marston Associates, Inc., David Bradwell and Associates, and Fillmore Urban Consultants, Western Addition Approved Redevelopment Project Area A-2.

This item concerns an agreement for a market feasibility and development study for the Fillmore Center in Western Addition Area A-2 project. It is recommended that a \$64,000 contract be executed with the consulting team of Curtis Associates, Keyser Marston Associates, Inc., David Bardwell and Associates, and the Fillmore Urban Consultants. Mr. Hamilton indicated that there has been little success in attracting developers for this area and because of this a joint committee composed of Western Addition Area Project Committee staff and members and Agency staff concluded that a new study should be undertaken to consider all aspects of retail commercial and residential developments. Proposals were solicited April 11, 1977 from ten firms and of these six firms submitted proposals on April 25, 1977. After interviewing these firms, the recommended selection was made based upon the ability and experience of the Curtis Associates team. The agreement provides for the submission of preliminary findings within 105 days of notice to proceed and a final report 15 days later. An additional study data required by the Agency after completion of the final report will be provided at the rate of \$50 per hour not to exceed \$16,000 over a seven-year period.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 113-77 appointing Mr. Thomas G. Conrad Chief, Planning and Programming.

This concerns appointment of Mr. Thomas G. Conrad to the position of Chief, Planning and Programming, effective June 13, 1977. Mr. Conrad will replace Mr. William Mason who is retiring.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (d) Consideration of the Agency-Western Addition Project Area Committee (WAPAC) report on buildings at 1531 Sutter and 1869 Buchanan Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that the conclusions reached by staff in the evaluation of the alternatives regarding the buildings at 1531 Sutter and 1869 Buchanan Streets are still tentative and that more detailed evaluation is required, as well as review and approval of proposals by the Department of Public Works and Superior Court Judge John E. Benson. Mr. Hamilton indicated that in conjunction with this requirement the Agency General Counsel is required to appear before Judge Benson on May 26, 1977 to advise him with respect to the Agency's intentions regarding these properties. Mr. Hamilton noted that the tentative conclusions are based on the building, electrical and plumbing inspectors' reports for each property, as well as extensive analysis by the Agency staff. The alternatives available for both buildings are as follows: (1) minor repairs to allow

NEW BUSINESS (continued)

present tenants to remain until a final resolution is reached, (2) extensive repair to allow the entire building to be utilized as temporary housing, or (3) major rehabilitation to comply with all City code requirements, and the more extensive Agency and Department of Housing and Urban Development (HUD)-required standards.

In regard to the 1531 Sutter Street building, Mr. Hamilton indicated that there are four legal tenants scattered throughout four floors. Complete rehabilitation is estimated to cost from \$175,000 to \$185,000 and would require complete vacation of the building because of the extensive work needed. Preliminary investigation indicates that the Department of Public Works and the Court would accept a proposal to sealing off the upper two floors from occupancy and performing the repairs to correct the life safety hazards on the two lower floors. This work would cost approximately \$12,000 and take from six to eight weeks to complete. Staff recommends that this limited work be undertaken while a final solution is developed.

Mr. Hamilton indicated that in regard to the 1869 Buchanan Street property there are severe foundation and structural problems as well as unsafe rear stairs, improper plumbing, and deteriorated electrical systems. In addition, the building is on a site designated for development by a Nihonmachi Community Development Corporation developer, who intends to start construction in late 1978. The structure must be cleared from the site either by demolition or moving. As a preliminary estimate, the moving costs could be \$55,000 and rehabilitation could run from \$120,000 to \$160,000. Temporary repairs to eliminate life safety hazards are estimated to cost from \$20,000 to \$30,000 depending on the extent of structural damage. Since the costs of the life safety repairs would not be recaptured if the structure is moved and rehabilitated elsewhere, it is recommended by staff that other housing be found for the one remaining tenant, Mr. Henry Lee, into either temporary or permanent housing.

Mr. Hamilton indicated that these tentative recommendations had been discussed in a number of meetings both with WAPAC and the representatives of the Coalition to Support Nihonmachi Tenants which had demanded that the buildings be renovated to provide low income housing for the tenants living in them. Mr. Hamilton summarized his report by recommending that the Agency undertake the work necessary to correct life safety hazards in 1531 Sutter with the four legal tenants remaining in place. He again noted that this would require barricading the third and fourth floors and making those life safety repairs on the first and second floors. He also recommended that the legal tenant in the 1869 Buchanan Street building, Mr. Lee, be temporarily relocated in the Nihonmachi area until a final decision can be made about either moving and rehabilitating the structure on another site or demolishing it, since it is on a parcel under contractual commitment to the Nihonmachi Community Development Corporation. Mr. Hamilton indicated the cost to move the building could be very high and need to be closely examined. The relocation of Mr. Lee would enable the Agency to relieve the Court of its concerns about the building.

Ms. Joan Takino, representing CANE and the Coalition to Support Nihonmachi Tenants, came forward and indicated that the organizations supported the tenants' rights to remain. In this connection, she indicated that a proposal was received yesterday and that it had been discussed with the tenants who want the building at 1531 Sutter Street to be repaired and that they remain there. She indicated her general agreement with the Agency's recommendations for 1531 Sutter Street but urged that the

NEW BUSINESS (continued)

fourth floor tenant be moved only after the second floor apartments are livable. She requested that nothing be removed or destroyed from the second floor to minimize the rehabilitation necessary. She asked that this be guaranteed in writing. She also asked that the Agency provide technical assistance so that the new purchaser will be assisted in obtaining financing of low income housing. In regard to 1869 Buchanan Street, Ms. Takino indicated that the Agency's proposal was unacceptable and urged that it be kept for low-rent housing and offered for sale where it now stands, regardless of whether there is a tenant in it or not. Ms. Takino indicated that Mr. Lee had previously been moved by the Agency and had been promised four years ago that he would not be moved again. She suggested returning the deposit to the Nihonmachi Community Development corporation and indicated that at the previous meeting a petition had been given to the Agency bearing over 2,000 names of people who supported the position taken by CANE and the Coalition.

In responding to Ms. Takino's comments Mr. Hamilton noted that no move would be made at 1531 Sutter Street for the fourth floor tenant until the first and second floors were livable since it was against Agency's policy to move people into unlivable units. He also noted that rehabilitation work to be done would facilitate the later rehabilitation of the structure. As to the question of rehabilitating the building to make it suitable for low rental housing, there is no assurance as to what level of rents any owner acquiring the building would establish. In regard to the 1869 Buchanan Street building, Mr. Hamilton indicated that the staff's recommendation still stands that temporary relocation be effected so that the building is not standing in violation of a Court order. Ms. Takino indicated that there were a number of funding programs for low-income housing and since CANE or the Coalition may have difficulty in searching out these programs, she again asked for technical assistance from the Agency in this. Mr. Hamilton indicated that the term "low rent" was a relative one, but noted that efforts would be made to keep rents as low as possible. He indicated that the Agency was cooperating with WAPAC on the matter.

Mrs. Mary Rogers of WAPAC came forward and indicated that WAPAC supported the proposal for 1531 Sutter Street in regard to closing off the third and fourth floors until a more comprehensive agreement between the Agency and CANE can be worked out. She indicated WAPAC would continue to work with both to see this accomplished. She commented that the 1869 Buchanan Street building would be costly to rehabilitate but urged that it be used as a relocation resource. President Wexler inquired if WAPAC supported Mr. Hamilton's recommendations in regard to both buildings, and Mrs. Rogers replied affirmatively except that the WAPAC Board had voted to request that 1869 Buchanan be used as a relocation resource.

Mr. Arnold Townsend came forward and indicated that if 1869 Buchanan is left standing it will be vandalized. He suggested using it as an emergency relocation resource which would also serve to minimize the possibility of fire, theft, and security costs. He indicated that \$30,000 to repair the building would not be a wise expenditure for one tenant but \$120,000 for four to six tenants makes sense.

Mr. Brian Spears, representing the tenants, came forward and questioned the terms of the Court order, what the nature of the Nihonmachi Community Development Corporation was, and what was expected of the tenants. Mr. Spears indicated that he

NEW BUSINESS (continued)

believed the Court order calls for the Agency, WAPAC, CANE and the tenants, to confer on disposition of the buildings and to make sure that they are safe so the tenants would not have to be moved. He indicated that the order does not state that the tenants would have to be moved out within two weeks' time. He suggested that the Agency go to Court and demonstrate good faith by making its proposed plans for 1531 Sutter. He noted that with regard to 1869 Buchanan there are a number of immediate problems he believed should be taken care of. In regard to the Commitment of the parcel to the Nihonmachi Community Development Corporation Mr. Spears indicated he had read the agreement and Section 10 states that if the property is not conveyed to the Nihonmachi Community Development Corporation that the deposit may be returned to them. He indicated that the Agency could save money by spending \$30,000 to make the building safe rather than spending \$50,000 to move it and make rehabilitation more costly. He indicated he had spoken with the tenants and they wish to remain in 1531 Sutter and are willing to move to the lower floors provided these are livable. He did not wish that the one tenant, Mr. Lee, be considered separately from the others. He believed there was a way to have eviction orders extended and suggested that the tenants could possibly purchase the building.

Mr. Mas Ashizawa, owner of the Soko Hardware store and member of the Nihonmachi Community Development Corporation, came forward and indicated that the 1531 Sutter Street structure was out of the Nihonmachi area and therefore of no concern to the corporation. He also indicated that Mr. Hamilton's proposal for the Buchanan Street property would be acceptable to the corporation, however, he indicated that since the site will not be needed for two to three years, the Buchanan Street building could be utilized as a relocation resource at this time. Mrs. Rogers urged that the Agency do the necessary work and let tenants remain in the building during this time. She suggested that the Agency spend the \$175,000 to refurbish the building for rentals rather than moving and rehabilitating it. President Wexler inquired if Mrs. Rogers was recommending that in two to three years when the Nihonmachi Corporation needs the site that the building should be moved, and she responded that the building should be moved and rehabilitated now if the money is available.

Mr. Hamilton noted that the time schedule for the site and the alternatives for the building had been discussed with Mr. Townsend and also as to what Judge Benson would find acceptable. He requested that Mr. Richard Thomas, Assistant Agency Counsel, comment on what he believed Judge Benson would accept. Mr. Thomas indicated that he believed that the Judge is concerned with safety of the tenants and he will make his decision on that basis. The Judge had ordered that the life safety hazards be corrected in the buildings or else they will be vacated, and the Agency has until May 26, 1977 to respond indicating its compliance.

Mr. Hamilton indicated that the Agency must yet determine the economic feasibility of the proposed alternatives and whether the Department of Housing and Urban Development (HUD) would approve the necessary expenditure of funds. He noted that there is a question of the commitment to convey the site to the Nihonmachi Community Development Corporation. Mr. Hamilton recommended that the meeting be recessed and an executive meeting held to discuss the legal ramification of those issues.

NEW BUSINESS (continued)

Ms. Shelley inquired what would happen to the one tenant in 1869 Buchanan while the building was being moved or rehabilitated. Mrs. Rogers responded that he would have to be temporarily moved because he could not remain in the building while the work was being done. She suggested that he be given a limited time to make moving preparations and noted that WAPAC would request HUD either in San Francisco or in Washington, if that became necessary to get the necessary approvals. Mr. Hamilton indicated that a thorough analysis be made before any request goes to HUD or any money is expended. Mrs. Rogers indicated that with regard to the Agency's commitment to the Nihonmachi on that site it is a question of whether the corporation would be willing to give up that particular parcel of land to provide low-cost housing for the area. She indicated that WAPAC would need more time to talk to the Corporation. It was her belief that if the Agency planned to do something with the building that Judge Benson would stay the evictions. President Wexler indicated that a variety of views had been forwarded and there were now some legal questions that must be considered in executive session.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that the meeting be recessed for thirty minutes, after which time the regular meeting would be reconvened. The meeting recessed at 5:10 p.m.

The regular meeting of the San Francisco Redevelopment Agency reconvened at 5:40 p.m. All Members of the Agency, certain staff, press representatives, and interested citizens were present.

NEW BUSINESS (continued)

President Wexler announced that Ms. Shelley had left to attend a labor negotiating session.

Mr. Hamilton indicated that after considering the matter and its legal ramifications that the Commissioners have directed the Agency's General Counsel to appear before Judge Benson and make recommendations proposed by staff on the 1531 Sutter property. With regard to 1869 Buchanan the Agency intends to respect its previous commitment to the Nihonmachi Community Development Corporation for continued delivery of the parcel in a cleared condition. The Agency will ask Judge Benson for additional time, while Mr. Lee continues to occupy the premises, to permit exploration of costs involved in the moving of the structure and rehabilitating the building on an alternate site. If it is determined that the building can be moved and rehabilitated, and is financially feasible to do so, the Agency will undertake that approach. The Judge would be asked for sufficient time to make that determination and to allow Mr. Lee to remain in it while the evaluation is made. Mr. Hamilton reiterated that the tenant would have to be temporarily relocated if it is determined that the building is to be rehabilitated on an alternate site. Ms. Takino inquired about correcting the life safety hazards in the 1869 Buchanan Street building to make it safe, and Mr. Hamilton indicated that he did not recommend that any work be done until the determination is made of the alternative feasibility of its rehabilitation either on or off the site.

MOTION: It was moved by Ms. Blomquist, seconded by Dr. Williams that the Agency's General Counsel be directed to request Judge Benson to allow additional time to determine the costs of moving the 1869 Buchanan Street building and rehabilitating it on another site.

NEW BUSINESS (continued)

Dr. Williams endorsed Mr. Hamilton's proposals. He indicated that if there was any way the building could be saved this would be done, but again noted that the tenant in 1869 Buchanan, Mr. Lee, would have to be temporarily re-located because the building cannot be repaired with him in it. He stressed that the Agency is committed to deliver this site to the Nihonmachi Community Development Corporation and that this must be fulfilled.

Mr. Omura came forward and urged the Agency to make a commitment to spend \$30,000 to repair the life safety hazards to comply with Judge Benson's order. Mr. Omura believed that the staff's recommendation of \$30,000 was too expensive and cited costs that he believed were excessive. Dr. Williams indicated that these issues would all be evaluated. Ms. Takino alleged that the life safety hazards were present due to the Agency's neglect of the structure.

President Wexler summarized the recommendation before the Commissioners as follows: The Agency will make life safety repairs on the first and second floors of 1531 Sutter Street and seal off the third and fourth floors from occupancy. On the matter of 1869 Buchanan Street, life safety repairs will not be made at this time to permit staff to evaluate if it is economically feasible to move and rehabilitate that building because it is on a parcel which has been committed to the Nihonmachi Community Development Corporation. Judge Benson will also be asked to allow the tenant of this structure to remain while the evaluation is being made.

MOTION: It was moved by Ms. Blomquist and seconded by Dr. Williams that the Agency's General Counsel is authorized to report to Judge John E. Benson that the Agency will undertake, at a cost of \$10,000 to \$12,000 to make the life safety repairs for the first and second floors of 1531 Sutter Street and that the third and fourth floors of 1531 Sutter Street will be blocked off and not occupied in accordance with the staff recommendation. Further, on the matter of 1869 Buchanan Street, the Agency's General Counsel is to request from Judge John E. Benson an extension of time to permit the Agency, in accordance with the Agency commitment to the Nihonmachi Community Development Corporation to deliver a cleared site, to explore the feasibility of moving the building at 1869 Buchanan Street to another site, and to determine the actual costs involved in the moving and definitive rehabilitation of the structure on an alternate site. During this time extension the Agency will not undertake any life safety repairs at 1869 Buchanan Street, and the one tenant, Mr. Lee, will be allowed to remain on the premises; and on roll call, the following voted "Aye":

Ms. Blomquist
Mr. Glickman
Mr. Lee
Dr. Williams
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion carried.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 114-77 approving agreement between the San Francisco Redevelopment Agency and the Western Addition Project Area Committee (WAPAC) to explore creation of a local housing organization as a vehicle for rehabilitation of certain Agency-owned structures.

Mr. Hamilton indicated that this resolution resulted from discussion between WAPAC and the Agency in an effort to develop a sweat equity program in Western Addition Area A-2 and was prepared jointly by the Agency and WAPAC. Mr. Hamilton read the resolution. President Wexler indicated that there was a minor change in the "Resolved" paragraph, sixth line, deleting the words "select and" and adding "assist in selection of buildings to be rehabilitated and to" in their place. A copy of the resolution as revised is attached and made part of these minutes. President Wexler indicated that the local housing organization may find that some buildings require other types of rehabilitation and this option should be left up to the local housing organization.

Mr. Mas Ashizawa came forward and asked if this resolution would affect or in any way impede commercial property development and Mr. Gene Suttle, Area Director for Western Addition Area A-2, responded that the evaluations will include both residential and commercial structures with the view to moving them to other sites. He indicated that the Agency and WAPAC were aware that there were eleven buildings in the Nihonmachi area that needed early consideration.

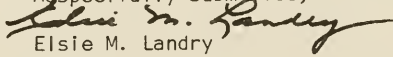
Mr. Hamilton and President Wexler concurred that the buildings were to be moved in sufficient time to permit the Nihonmachi Community Development Corporation to go forward. In response to Mr. Ashizawa's inquiry as to what residual rights a previous owner would have to a moved building Mr. Hamilton indicated that this issue would have to be legally determined. He noted that the situation is different if a building is retained in place but when a building is moved and the question of whether residual rights follow the building to the new site would have to be legally resolved. President Wexler noted that this could present multiple rights to an individual for two parcels. Mr. Ashizawa indicated his preference for keeping the building and rehabilitating it but noted that the Agency had acquired the building to demolish it but now proposed saving it thus he believed he had a right to reacquire it. President Wexler indicated that serious legal problems could be created if rights were multiplied on buildings resulting from such situations. Mr. Ashizawa indicated his desire to have the matter pursued.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 6:00 p.m.

Respectfully submitted,


Elsie M. Landry
Assistant Secretary

Edited by Helen L. Sause, Secretary

35
3177

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
31ST DAY OF MAY 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 31st day of May 1977, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Joan-Marie Shelley, Acting President
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following were absent:

Howard M. Wexler, President
Walter F. Kaplan
Dr. Hannibal A. Williams

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ed Crocker, Western Addition Project Area Committee (WAPAC); Robert Sockolov, Rochester Bldg and Tail Clothing Store; Paula Collins, Office of the Chief Administrative Officer of the City and County of San Francisco; and Randle Padgett, attorney.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of a Regular Meeting of May 17, 1977, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed amendments to the Official Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project Area.

- (a) Acting President Shelley opened the public hearing to hear all persons interested in the matter of the proposed amendments to the Official Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the Acting President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) At the previous Agency meeting the buildings at 1531 Sutter and 1869 Buchanan Streets were the subject of the Commissioners' consideration, and as a result Assistant Agency Counsel Richard Thomas requested Superior Court Judge

REPORT OF THE EXECUTIVE DIRECTOR (continued)

John E. Benson for additional time prior to his final decision on vacating the structures. Judge Benson agreed to permit the matter to be continued while studies regarding rehabilitation and moving costs were completed, and a progress report will be made to Judge Benson on June 23, 1977.

- (b) On June 7, 1977 Mr. Gyo Obata of the architectural firm of Hellmuth, Obata, and Kassabaum, Inc., selected by the Chief Administrative Officer to design the convention center in Yerba Buena Center, will appear before the Commissioners to make a presentation on the preliminary design of the convention center. Mr. Hamilton believed it would be appropriate for the Commissioners to see the design now in order to comment on the design approach in this preliminary stage.
- (c) Last Tuesday and Thursday public hearings were held to ascertain citizens' recommendations on the City's "urgent needs" in connection with the 1978 Community Development funding allocation. Mr. Hamilton indicated he had attended both meetings and individuals and representatives from various organizations presented their requests to the Director of the Office of Community Development for consideration. The next step will be a review of the Agency's budget requests with the Commissioners prior to finalization of the total budget which the Mayor will submit to the Board of Supervisors. Ms. Blomquist has copies of the preliminary budget and the Commissioners will receive copies of the material to review prior to final submittal to the City. Mr. Hamilton noted that the time schedule and a summary of the 1978 budget had been given to the Commissioners.

NEW BUSINESS

- (a) Resolution No. 115-77 approving the proposed amendment to the Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project and referring and recommending the same to the Board of Supervisors of the City and County of San Francisco.

This matter was the subject of the public hearing just held and concerns approval of the plan change amending the land use from business and light industry to housing to permit development of housing for the elderly on a parcel of land surrounded by Clara, O'Doud, Shipley, and Peter Maloney Streets located in the center of a larger block bounded by Harrison, Fourth, Folsom, and Third Streets in Yerba Buena Center. This amendment is a step toward compliance with the terms of the Agency and TOOR agreement dated May 15, 1973 with respect to designation of sites for housing. The sponsor of the housing, Los Caballeros de Dimas Alang, acting jointly with TODCO, has received a commitment of HUD Section 202 and Section 8 allocations for low-to-moderate income elderly housing and construction is expected to start in October. Also involved in this item is a recommendation for approval of the negative declaration with respect to the environmental impact of the proposed plan amendment and the authorization to transmit the proposed amendment to the Board of Supervisors.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (b) Resolution No. 109-77 authorizing grant of easement over Parcel 686-H in favor of certain adjacent property owners and inclusion of same easement in deeds for conveyance of Parcels 686-J(1), 686-K(1), 686-K(2) and 686-N, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that the City's Master Plan calls for the development of parking in connection with building construction and this item seeks authorization for the granting of an easement over certain parcels in the Nihonmachi area to permit property owners ingress and egress to parking. The City has required that this easement be granted before additional building permits can be issued in the area. Parcel 686-H will be conveyed to the Nihonmachi Community Development Corporation which in turn will transfer title to the Nihonmachi Parking Corporation for development of parking. The easement will provide the parcels with rear access to and from the Nihonmachi Mall and Sutter Street.

In response to Mr. Lee's inquiry, Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that 44 parking spaces would be available. Mr. Lee inquired about the entrance to the parking from Buchanan Street, and Mr. Suttle noted that there was only a pedestrian and emergency entrance from the Buchanan Mall and the planners had located the vehicular entrance from Hemlock and Sutter Streets.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 116-77 approving roofing repairs at 1402 Post Street in the Western Addition Approved Redevelopment Project Area A-2.

This item is a request to void a contract authorization with M & J Roofing Company which was the lowest bidder at \$1,400 for emergency roofing repairs at 1402 Post Street and to reaward the contract to the second lowest bidder, Bonded Roofing Company, at \$1,485. Due to a misunderstanding Agency staff had authorized the firm of Bonded Roofing rather than M & J Roofing to make these repairs. At the time the error was discovered it was also learned that the lowest bidder had not submitted the contractor's license number with his bid. After staff contacted the State of California Contractors' Office and the Registrar of Contractors, which had no record of the firm of M & J Roofing having a license, the firm was notified of this finding but has not responded. In the interim the work was satisfactorily performed by Bonded Roofing. It is therefore requested that the original action awarding the contract be voided and awarded to Bonded Roofing for \$1,485. In reply to Mr. Lee's question, Mr. Suttle indicated he did not know if M & J Roofing had previously bid on Agency work, or whether it was a minority firm. Mr. Glickman inquired at what point the determination was made as to whether a contractor was licensed or not, and Mr. Suttle replied it was when the bids were opened. Mr. Hamilton indicated that because of the urgency of the work, the regular procedure had not been followed in this case and that steps had been taken to prevent the reoccurrence of a firm being recommended without verifying its contractor's status.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (d) Resolution No. 117-77 rejecting claim of Daisy Westry for property damage, Western Addition A-2 Project Area.

Mr. Hamilton indicated that this item would be held over for one week at the request of the claimant.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton indicated that a Mr. Randle Padgett was present and wished to make a statement.

Mr. Padgett came forward and identified himself as an attorney with Mr. Brian Spears, representing the tenants in the 1531 Sutter and 1869 Buchanan Street buildings. He indicated that the tenants in 1531 Sutter would like the Agency to begin making repairs at the earliest possible date on the first and second floors. He requested information for the tenants as to when such repairs were to be made and also what the plans were for the barricading of the third and fourth floors, as well as other alternatives to be explored. In regard to 1869 Buchanan Street, Mr. Padgett wished to know as soon as possible the results of the evaluation of rehabilitation and moving costs. He indicated his belief that Superior Court Judge John E. Benson would not permit the building's only tenant to remain there unless the Agency places a fire-restrictive door between the apartment and the common area of the building, and he inquired when this work would be done. He also requested if professional staff assistance could be provided to help the tenants purchase the buildings for low-rent housing. He noted that the tenants lacked such expertise and required assistance in developing a low-income housing program. Mr. Padgett also inquired if the debris in the basement could be cleaned up.

Mr. Hamilton replied that the list of work items scheduled to be undertaken included the proposal to barricade the third and fourth floors and will be developed and available. He indicated that the staff would be dealing with the Western Addition Project Area Committee (WAPAC) in this process. In regard to 1869 Buchanan Street, Mr. Hamilton indicated that rehabilitation and moving estimates, and also replacement of the fire door and debris cleaning, was to be available shortly. Mr. Hamilton stressed, however, that the Agency could not assure the tenants that the rents for either of the buildings could be considered as "low rent". No analysis of the buildings for low-income tenants has been done, nor have the tenants been surveyed to ascertain their qualifications for low rent, even if such a program could be developed. Mr. Hamilton indicated that efforts would be made to keep the rents within the tenants' capacity to pay. Mr. Padgett indicated his understanding that the Agency could not guarantee that rents would remain at their present levels since this would be impossible, but urged that the Agency use its resources to find funding resources for low-rent housing. Acting President Shelley indicated that the Agency was sensitive to this issue.

Mr. Glickman inquired if it were clear to Mr. Padgett that everything he requested was to be made available through WAPAC, and Mr. Padgett answered affirmatively. Mr. Glickman also inquired which staff person would advise Mr. Padgett regarding subsidized housing programs. Mr. Hamilton indicated Mr. Redmond Kernan, Deputy Executive Director for Planning and Development, would provide this information.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

6-7-77

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF JUNE 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of June 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following were absent:

Walter F. Kaplan
Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Ed Crocker, Western Addition Project Area Committee (WAPAC); Brian Spears and Mickey Omura, Coalition to Support Nihonmachi Tenants; Don Hess, Human Rights Commission; Chris Papesh, Office of the Bureau of the Budget of the City and County of San Francisco; Richard Gryziec, architect; and Ray Reid, interested citizen.

Representing the press were Donald Canter, San Francisco Examiner and Marshall Kilduff, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the minutes of an Executive Meeting of May 10, 1977, the minutes of a Regular Meeting of May 24, 1977, the minutes of two Executive Meetings of May 24, 1977 and the minutes of a Regular Meeting of May 31, 1977, as corrected and distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 780-F, Western Addition Approved Redevelopment Project Area A-2

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 780-F, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

SPECIAL APPEARANCES (continued)

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 726-C, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 726-C, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

- (c) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel A-2, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler indicated that this public hearing would be continued until June 14, 1977.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The City's design team, Hellmuth, Obata & Kassabaum, Inc., for the Exhibit Hall for the Yerba Buena Center project has now developed a conceptual scheme to conform with the work program they were directed to carry out. This proposal appears to be within the cost limitations imposed on the project and meets the objectives of Convention Bureau representatives for a column-free space. A full presentation will be made at the meeting of June 21, 1977. At that time the design team will be available to respond to the Commissioner's questions.
- (b) Mr. Hamilton requested that Mr. Gene Suttle, Area Director for Western Addition A-2, present a status report on the properties at 1531 Sutter and 1869 Buchanan Streets.

Mr. Suttle came forward and indicated that the Agency would report to Superior Court Judge John Benson on June 23, 1977 in connection with the 1869 Buchanan Street property. He indicated that last Wednesday three rehabilitation staff members and a representative of a house moving firm had evaluated the structure. It is anticipated that by next Monday cost estimates will be available for moving the structure and its subsequent rehabilitation and for its rehabilitation if the building remains in place. Staff is working on the cost of interim repairs which are expected to be minimal. President Wexler inquired when the repairs would be made on 1531 Sutter Street, and Mr. Suttle replied that staff had applied for the building permit for the repairs but that it had not yet been issued. Mr. Suttle indicated that the cost estimates would be reviewed with both the Western Addition Project Area Committee (WAPAC) and Citizens Against Nihonmachi Evictions (CANE) representatives.

NEW BUSINESS

- (a) Resolution No. 120-77 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 780-F, Western Addition Approved Redevelopment Project Area A-2.

This item was the subject of the public hearing just held and concerns disposition of

SPECIAL APPEARANCES (continued)

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 726-C, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 726-C, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

- (c) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel A-2, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler indicated that this public hearing would be continued until June 14, 1977.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The City's design team, Hellmuth, Obata & Kassabaum, Inc., for the Exhibit Hall for the Yerba Buena Center project has now developed a conceptual scheme to conform with the work program they were directed to carry out. This proposal appears to be within the cost limitations imposed on the project and meets the objectives of Convention Bureau representatives for a column-free space. A full presentation will be made at the meeting of June 21, 1977. At that time the design team will be available to respond to the Commissioner's questions.
- (b) Mr. Hamilton requested that Mr. Gene Suttle, Area Director for Western Addition A-2, present a status report on the properties at 1531 Sutter and 1869 Buchanan Streets.

Mr. Suttle came forward and indicated that the Agency would report to Superior Court Judge John Benson on June 23, 1977 in connection with the 1869 Buchanan Street property. He indicated that last Wednesday three rehabilitation staff members and a representative of a house moving firm had evaluated the structure. It is anticipated that by next Monday cost estimates will be available for moving the structure and its subsequent rehabilitation and for its rehabilitation if the building remains in place. Staff is working on the cost of interim repairs which are expected to be minimal. President Wexler inquired when the repairs would be made on 1531 Sutter Street, and Mr. Suttle replied that staff had applied for the building permit for the repairs but that it had not yet been issued. Mr. Suttle indicated that the cost estimates would be reviewed with both the Western Addition Project Area Committee (WAPAC) and Citizens Against Nihonmachi Evictions (CANE) representatives.

NEW BUSINESS

- (a) Resolution No. 120-77 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 780-F, Western Addition Approved Redevelopment Project Area A-2.

This item was the subject of the public hearing just held and concerns disposition of

NEW BUSINESS (continued)

a three-unit building at 835 Webster Street to the highest of seven certificate holders, Julia M. Sheppard, for \$6,251. Bids ranged from \$5,305 to \$16,500 with a minimum bid of \$5,197. Cost of rehabilitation is estimated at \$48,000, and Mrs. Sheppard will utilize the Western Addition Rehabilitation Loan Program for part of the financing to complete purchase and rehabilitation of the building.

In response to President Wexler's inquiry William McClure, Chief, Rehabilitation, indicated that Mrs. Sheppard was the highest qualified bidder of the certificate holders. Mr. Lee inquired about the method used to qualify bidders and Mr. McClure noted that staff reviews bidders' qualifications essentially in accordance with criteria used by savings and loan offices and primarily concerns the bidder's ability to finance the rehabilitation work. Mr. McClure indicated that consideration is first given to the top bidder, who in this particular case withdrew. In reply to Mr. Glickman's inquiry Mr. McClure indicated that the applications are reviewed by the Agency's rehabilitation staff. Mr. Glickman asked the criteria used to determine qualifications and Mr. McClure responded that staff considered such aspects as an applicant's employment records, as well as any assets, such as cash or other property, that would qualify them for a loan.

Mr. Glickman indicated his concern that people not be excluded from purchasing property for subjective reasons. President Wexler inquired about the standards used to determine applicants qualifications and Mr. McClure affirmed that in addition to an analysis of the borrower's financial capacity, the building's income is also analyzed to determine if the structure can carry itself. Mr. McClure also indicated that the Agency could not make a loan for more than 80 percent of the appraised value, therefore the remaining 20 percent has to be provided by the purchaser and this requirement exceeded some people's capability. Mr. Glickman indicated his desire to know more about the procedure before disposition of this property. Mr. Hamilton indicated that the process was similar to that employed by lending institutions in attempting to evaluate the borrower's qualifications and if the Commissioners wished, the process used by the Agency's mortgage finance staff would be submitted to them for their review.

President Wexler noted that the Agency, unlike commercial institutions, is not attempting to realize profits and avoid risks. He indicated that this program offers the Agency an opportunity to go beyond those provided by profit-motivated institutions. Mr. McClure noted that the funds being lent were received under a loan agreement with lending institutions; therefore, the Agency was required to adhere to certain standards. President Wexler requested that the standards used to screen applicants be sent to the Commissioners as well as the reasons people with higher bids were rejected in the specific case being considered. He inquired if this could be provided next week and if it would cause any detrimental delays, and Mr. McClure indicated concern that the contract for the rehabilitation work had been executed and delays could affect the contract amount. He noted that by the time such matters come before the Commissioners the contractor's bids are already six weeks old. President Wexler also suggested that staff inquire of the applicants that had been eliminated by screening if they wished to provide their financial information to the Commissioners for review. Mr. McClure indicated that some bidders on the properties did not meet the schedule under which certain items were required to be submitted and that extensions were granted in an effort to further aid certificate holders so they could get their submissions in with financial statements and other documents. Mr. McClure expressed concern about providing the requested material and contacting the higher bidders in

NEW BUSINESS (continued)

a week's time and President Wexler indicated that since the public hearing had been held there was no need to delay for the other bidders to appear. He believed that the Commissioners primarily wished to ascertain that proper standards were being applied to accomplish the goals of the Agency. In reply to President Wexler's questions, Mr. McClure indicated that Item 9(b) was similar to 9(a) and President Wexler indicated that both items would be continued one week.

- (b) Resolution No. 121-77 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 726-C, Western Addition Approved Redevelopment Project Area A-2.

President Wexler indicated this item would be continued for one week.

- (c) Resolution No. 119-77 supplementing the San Francisco Redevelopment Agency Rehabilitation Program for Western Addition Area A-2 Redevelopment Project to provide measures to avoid industrial development bond status.

Mr. Hamilton indicated that as a result of a position taken recently by the Internal Revenue Service (IRS) the use of loan proceeds for refinancing mortgages on other than owner-occupied, single-family residences in connection with the Residential Loan Program for Western Addition Area A-2 may result in the bonds losing their tax-exempt status. This action will permit the Agency to implement the Loan Program in part pending an official IRS ruling on this issue. The resolution limits any refinancing under the program to owner-occupied, single-family residences while the test case proceeds to determine the validity of that IRS position. In reply to Ms. Blomquist's inquiry, it was indicated that such refinancing did not apply to the properties calendared under Items 9(a) and (b). In response to President Wexler's inquiry, Mr. McClure indicated that approximately six buildings would be affected by the IRS position since these applications included refinancing but an attempt was being made to obtain loans through the Federal Section 312 loan program. Mr. McClure indicated this represented six out of 25 pending applications. He also noted that the test case could take from six to nine months to resolve.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

Mrs. Mary Rogers of WAPAC came forward and indicated concern about use of the 312 loan program for applicants who are financially capable of obtaining financing from other sources. Mr. Hamilton noted that the Agency cannot superimpose its own judgment about the eligibility of loan applicants.

- (d) Resolution No. 118-77 authorizing the Executive Director to enter into a contract with Richard Gryziec, architect/planner, for professional architectural services in connection with the proposed pleasure park in Yerba Buena Center Approved Redevelopment Project Area D-1.

This item concerns authorization of an \$11,000 consultant contract with Mr. Richard Gryziec for evaluation of the urban theme park concept in Yerba Buena Center which is proposed for location above the underground exhibit hall. Mr. Gryziec, because of his substantial knowledge in the urban pleasure park concept, will assist the Agency in assessing the exhibit hall design from the standpoint of its potential impact on an urban theme park concept, as well as provide input concerning the

NEW BUSINESS (continued)

functional needs of potential pleasure park developers in terms of land use, vehicular and pedestrian circulation, and other possible developmental parameters, and also provide material for inclusion and analysis in a new Environmental Impact Report to be prepared by a consultant firm working jointly for both the City and Agency. Mr. Gryziec's fee for the consultant services is on an hourly basis.

Mr. Lee inquired if the contract had a termination clause in the contract in the event the Agency wishes to discontinue Mr. Gryziec's services, and Mr. Redmond Kernan, Deputy Executive Director of Planning and Development, answered affirmatively noting that the standard contract used sets forth as an attachment the terms and conditions which include a termination clause. Mr. Glickman inquired about the period when Mr. Gryziec's services would be provided and Mr. Kernan indicated that he anticipated they would be needed primarily during the next two months but would continue for about a three-month period after that for a total of about five months. Mr. Lee inquired about a possible future contract and Mr. Kernan judicated that the design concepts being studied by Mr. Gryziec would require marketability evaluation that the scope or amount was not known at this time. President Wexler inquired of Mr. Gryziec if he had any comments, and Mr. Gryziec indicated he did not.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 117-77 rejecting claim of Daisy Westry, Western Addition A-2 Project Area.

Mr. Hamilton indicated that this item concerned an \$80 claim made by Agency employee, Daisy Westry, for damage resulting from break-in and theft from her parked automobile while she was at work at the Western Addition A-2 site office. He noted that the Legal staff has evaluated the claim and advises that the Agency has no legal liability for damage to an employee's personal property in such circumstances and in accordance with Agency policy recommended that the Commissioners reject the claim. Mr. Hamilton indicated that Ms. Shirley Wysiner, Local 400 representative, was present and wished to comment on the matter.

Ms. Wysiner came forward and introduced Ms. Daisy Westry. Ms. Wysiner indicated that she believed that the item had been calendared in a pejorative manner. She indicated that the area lacked proper security and that other people have sustained damage to their parked cars and stressed that the bargaining unit believes Ms. Westry should be reimbursed.

Ms. Westry requested that she be reimbursed for the damage done to her 1977 Mercury Monarch which sustained a broken window and other damage as well as the theft of her jacket from the vehicle which was parking during working hours, on the street. In response to Mr. Glickman's inquiry Ms. Westry indicated that she did not use her car for Agency business. She explained that she worked in the office as a Community Services Representative in housing management. Ms. Westry indicated she used the car to transport herself to and from work.

Ms. Wysinger indicated that the safety of employees' cars was a problem which existed at all the offices, but was particularly a problem at Western Addition A-2 which

NEW BUSINESS (continued)

offers only a limited parking area for employees so most have to park on the street. Mr. Hamilton indicated Ms. Wysiner was correct in her evaluation of the parking situation and noted that this has not always been the case because the former A-2 site office offered a large parking area. He stressed that the principal issue is that the Department of Housing and Urban Development (HUD) has ruled that expenditure of funds for staff parking is an ineligible expense. Mr. Hamilton indicated that the parking provided is essentially for visitors and cars used by staff for Agency business.

President Wexler inquired if there was a policy for reimbursement regarding vandalism sustained by an employee's car used in the course of Agency business, and Mr. Hamilton indicated that he did not know of the evaluation of such a claim.

Ms. Westry indicated she had on occasion used her car when no Agency car was available but ordinarily would not utilize it in the course of Agency business. In reply to Mr. Glickman's inquiry, Ms. Westry indicated she was not reimbursed for such use.

President Wexler indicated there was a question of the degree of responsibility to be assumed by the Agency for providing security for a personal vehicle when it is used to commute to and from work only. President Wexler suggested that the bargaining unit could consider the provision of secured parking for employees as a negotiating issue.

Ms. Shelley indicated that in her opinion secured parking for employees was not an unreasonable request and the Agency should assume liability for this claim. She moved that the claim be granted.

MOTION: It was moved by Ms. Shelley that the claim of Ms. Daisy Westry for \$80 to cover property damage to her automobile be granted. The motion died for want of a second.

Mr. Glickman indicated that although he did not oppose reimbursement for Ms. Westry's loss, the issue was a larger one which the collective bargaining unit should evaluate but which at this point has not been negotiated; therefore, the Commissioners had no basis for its approval. He believed that the claim should not be granted since there is no guarantee for secured parking in the employees memorandum of agreement.

Ms. Wysinger indicated that the bargaining unit was not out to set a precedent, however there was a principle involved and again noted that others had suffered damages but had not made claims. President Wexler concurred in the concern that the issue had the potential of establishing policy and he recommended that the matter be studied on a broader basis so that a uniform policy can be developed for all staff. Mr. Lee also noted his belief that the matter may set a precedent since there is nothing in the bargaining agreement. Mr. Hamilton indicated that the Agency had agreed to matters in the union memorandum of understanding in opposition to HUD regulations and subject to HUD approval. He indicated that HUD does not generally grant waivers to their regulations and would have to be asked to concur before the Agency could assume liability for the safety of staff vehicles without violating their rules. If secured parking for employees is an issue won at the bargaining table, then staff will request HUD grant a waiver.

Ms. Shelley indicated that even though the issue was not a part of the bargaining contract she believed it had to be dealt with and abstract justice mandated the

NEW BUSINESS (continued)

award of \$80 for damages. Mr. Glickman indicated that a precedent would be set and the Commissioners would be exceeding their authority if they agreed to pay the claim.

Mr. Hamilton expressed concern that if the Agency assumed liability for this claim then it would appear to assume liability for all employees. Mrs. Rogers came forward and urged that the \$80 be paid and Mr. Lee responded that the issue was not one of amount but of principle.

ADOPTION: It was moved by Mr. Glickman and seconded by Mr. Lee that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Wexler

and the following voted "Nay":

Ms. Shelley

and the following abstained:

None

The President thereupon declared the motion carried.

MATTERS NOT APPEARING ON AGENDA

- (a) Comments on 1531 Sutter and 1869 Buchanan Street properties.

Mr. Hamilton indicated that the representative from the Coalition in Support of Nihonmachi Tenants, Mr. Mickey Omura, and the attorney representing the tenants, Mr. Brian Spears, and Mr. David Prowler of the Human Rights Commission had requested time to make presentations.

Mr. Omura came forward and reiterated the position of the Coalition that there be no evictions of tenants from the buildings at 1531 Sutter and 1869 Buchanan Streets. He urged that the buildings be repaired as soon as possible and that the tenants be aided in the process of purchasing the buildings for use as low-rent housing. He indicated the Coalition's dissatisfaction with the possibility that Mr. Henry Lee, the sole tenant in 1869 Buchanan Street, is still being threatened with eviction. He believed that the proposal to move the building was ludicrous and that the expenditure of money for moving and rehabilitating was not supported by the Coalition. He indicated that Mr. Mas Ashizawa, President of Nihonmachi Community Development Corporation, had stated that he did not need the site immediately. Therefore, he urged that the present hazards should be repaired with the building remaining on the site. Mr. Omura claimed that the Agency was destroying the the Japanese community.

Mr. Don Hess of the Human Rights Commission came forward and read a resolution passed by that Commission at its May 26, 1977 meeting which is attached to these minutes. He indicated that the Human Rights Commission had worked with the tenants in the Japanese community and alleged that redevelopment had caused dispersal of the population

NEW BUSINESS (continued)

particularly of the low-income residents and smaller shops and that these were essential to the maintenance of the cultural, commercial and religious character of the community. The resolution urged the Agency to repair the hazardous safety conditions in 1529-1531 Sutter and 1869 Buchanan Streets and to obtain an Order Vacating the Writ of Possession from the Superior Court. It also requested that the Agency cooperate with the tenants of the buildings in arranging for purchase of the buildings for low-rent housing and examine disposition agreement of parties laying claim to the properties, land cost write-downs, and sweat equity contributions by tenants, since without these it would be unlikely the buildings could be maintained as low-income housing.

Mr. Brian Spears came forward and indicated that he was the attorney representing the tenants in both buildings and urged that an understanding be reached regarding the schedule for repairs so that the Court can be shown that progress had been made in this respect. He indicated that the Nihonmachi Community Development Corporation disposition agreement be studied and believed that it does not require conveyance of the building at 1869 Buchanan Street and urged that it be sold to a purchaser which would be arranged for by the tenants. He also indicated that the Commissioners would be sent a memorandum of understanding of the items called for on the part of the Agency and he requested that he be given a report on the proposals for moving the buildings, and for rehabilitating the buildings in place so that discussions can continue from a common understanding of facts. He urged that the Agency also consider the effect on the adjacent buildings should these structures be moved and expressed concern about the open basement areas which would result from the moving. President Wexler indicated that the staff would apprise Mr. Spears of a meeting time for these matters.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to executive session. The Meeting adjourned at 5:40 p.m.

Respectfully submitted,



Helen L. Sause
Secretary



HUMAN RIGHTS COMMISSION OF SAN FRANCISCO

1095 MARKET STREET

SUITE 501

SAN FRANCISCO, CALIFORNIA 94103

TELEPHONE 558-4901

RESOLUTION ON 1529 & 1531 SUTTER STREET

AND

1869 BUCHANAN STREET

WHEREAS, the Japanese Community of San Francisco has long been an area of culture, communication, and commerce for the Japanese and other residents of San Francisco, and,

WHEREAS, the Redevelopment Agency, through its programs in the area of the Japanese community has tended to cause the dispersal of the population of this community, particularly the smaller shops and lower-income residents of the community, and,

WHEREAS, retention of low-rent housing in the Japanese community is an essential ingredient in maintaining the cultural, commercial and religious character of the community,

BE IT RESOLVED THAT, We urge the Redevelopment Agency Commission to do the following:

1. Commit itself to explore means by which it can immediately have repaired the hazardous safety conditions in the buildings located at 1529 & 1531 Sutter Street and 1869 Buchanan Street;
2. Use all reasonable means to obtain from the Superior Court of San Francisco an Order Vacating the Writ of Possession concerning the two above-mentioned buildings;
3. Cooperate with the tenants of the buildings in their efforts to arrange for a purchase of the buildings from the Redevelopment Agency which will provide for the maintenance of the buildings as low-rent housing within the Japanese community; and
4. Explore such avenues as
 - a. examining disposition agreements with any other parties laying claim to the properties,
 - b. land cost "write-downs", and
 - c. "sweat equity" contributions by tenants

Without these measures it is unlikely that the buildings can be maintained as low-income housing.

The Human Rights Commission offers its assistance toward the realization of those goals.

Adopted by HRC - 5/26/77

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF JUNE 1977

DOCUMENTS

JUL 5 1977

SAN FRANCISCO
PUBLIC LIBRARY

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of June 1977, the place, hour, and the date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following were absent:

Dr. Hannibal A. Williams
Walter F. Kaplan

The president declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); Willa Jones, Bayview-Hunters Point Joint Housing Committee; and Brian Spears, Attorney for Tenants at 1531 Sutter and 1869 Buchanan Streets.

Representing the press were Donald Canter, San Francisco Examiner; and Marshall Kilduff, San Francisco Chronicle.

President Wexler wished Dr. Williams, who is recovering from an illness, a speedy recovery. He also announced that agenda items 9(a), 9(h) and 9(j) will be held over. He noted this rescheduling in no way reflects on the status of the items.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the minutes of a Regular Meeting of June 7, 1977 and the minutes of an Executive Meeting of June 7, 1977, as corrected and distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

(a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-F, SE corner of Divisadero and O'Farrell Streets, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-F, Western Addition

SPECIAL APPEARANCES (continued)

Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel A-2, SW corner of Cargo and Mendell Streets, India Basin Industrial Park Approved Redevelopment Project Area. (Continued from June 7, 1977).

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel A-2, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The presentation of the proposed design for the Yerba Buena Center Exhibit Hall which was tentatively scheduled for June 21, 1977 has been rescheduled for June 22, 1977. The Chief Administrative Officer, Roger Boas, has advised that the rescheduling is necessary due to difficulties in coordinating schedules between the City's design team, Hellmuth, Obata & Kassabaum, Inc., and the Mayor's office.
- (b) Mr. Hamilton introduced Tom Conrad as the Agency's Chief, Planning and Programming, who is the replacement for William Mason who has retired. Mr. Conrad was formerly Director of Planning for the Redevelopment Agency of the City of Los Angeles. Mr. Hamilton noted the talent and expertise that Mr. Conrad brought to the Agency and welcomed him to the staff.

Mr. Wexler expressed the Commissioners' pleasure in having Mr. Conrad join the staff.

UNFINISHED BUSINESS

- (a) Resolution No. 120-77 approving the disposition price and method of sale; ratifying the publication of Notice of Public Hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of parcel 780-F, Western Addition Approved Redevelopment Project Area A-2, 835 Webster Street.

Mr. Hamilton noted that this item had been discussed at length the previous week. That discussion had related to the policy for evaluating applicants' eligibility for loans, how the screening process was carried out and, specifically, the qualification of applicants having Certificates of Preference. He indicated that the information requested by the Commissioners had been forwarded to them during the week for their consideration. Mr. Hamilton noted that Ms. Julia Sheppard was the highest qualified bidder out of seven certificate holders for 835 Webster Street. The minimum bid for the property was \$5,197 and the bids received for this three-unit building ranged from \$5,305 to \$16,500. Mr. Hamilton recommended disposition of this parcel to Ms. Sheppard at a price of \$6,251. Rehabilitation costs for the building are estimated at \$48,000.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 121-77 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of parcel 726-C, Western Addition Approved Redevelopment Project Area A-2, 1975 O'Farrell Street.

This item was also held over one week while the Commissioners reviewed the general criteria for establishing eligibility of loan applicants. Mr. Doherty is the highest qualified certificate holder bidding on the property. Mr. Hamilton reaffirmed the recommendation of staff to authorize disposition of this 18-unit apartment building to Mr. James Doherty, doing business as Franciscan-O'Farrell Investment Company, for \$33,000 with a rehabilitation cost of \$189,216.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

UNFINISHED BUSINESS

- (a) Resolution No. 124-77 authorizing the Executive Director to enter into a disposition agreement with Isaac P. Guillory and William P. Harrington, a partnership, and execute necessary conveyance instruments; approving minimum disposal price; and ratifying and confirming publication of a notice of public hearing; all in connection with the sale of parcel 1100-F, Western Addition Approved Redevelopment Project Area A-2.

President Wexler indicated that this matter would be held over one week.

- (b) Resolution No. 125-77 requesting payment of temporary self move, Soko Hardware, from 1698 Post to 1672 Post Street, Western Addition Approved Redevelopment Project Area A-2.

This item concerns proposed reimbursement to Mr. Masao Ashizawa for his self move of Soko Hardware. The move is to be made temporarily to permit clearance of the store's present site for future development. The staff has obtained five bids to provide a basis for the reimbursement of moving costs and since the bids had a wide spread staff obtained professional advice in evaluating the bids and the cost of the move. The analysis resulted in a recommendation that the Agency could reimburse the moving costs for Soko Hardware up to \$10,076.93

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 122-77 authorizing condemnation of parcel 686-13 (portion), 1660-64 Post Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton noted the State law has been amended to require an additional step when there is a price dispute in acquisition of a parcel. Previously, there was an overall authorization to condemn the parcels designated for acquisition in the Redevelopment Plan, but now it is necessary to pass a specific resolution for each condemnation action. This action permits initiation of the court proceedings to resolve the price difference.

Mr. Wexler inquired if Mr. Ashizawa was present and there was no response. In response to Mr. Wexler's inquiry, Mr. Hamilton noted that in view of the timing for taking this parcel, which is the final land to be acquired for the parking lot, staff had no more time to negotiate.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 123-77 approving sale of parcel A-2 to James F. Lavezzoli, Steven E. Lavezzoli and Alfred M. Oberti, Jr., and the minimum disposal price; ratifying and confirming publication of notice of public hearing; authorizing execution of agreement for disposition and other conveyance instruments in connection therewith, India Basin Industrial Park Approved Redevelopment Project Area.

Mr. Hamilton noted this resolution involves the disposition of a parcel for a 30,000 square foot food manufacturing plant which will initially employ 32 persons and later expand to an employment of 40. The firm also has made a commitment to hire three persons from the community. This business is the first to be partially financed by the Bayview-Hunters Point Local Development Program. The total cost of the development is \$1.3 million. In response to President Wexler's inquiry, Mr. Earl Mills, Area Director, Hunters Point-India Basin, indicated that Ms. Willa Jones, Director of the Bayview-Hunters Point Joint Housing Committee, was present to represent the Committee's support for this project.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be passed.

- (e) Resolution No. 128-77 awarding Demolition and Site Clearance Contract No. 19 to Caldwell Building Wreckers, India Basin Industrial Park, 1435 Fairfax Avenue.

This item authorizes award of a contract for the demolition of a one-story sheet metal building with concrete walls and furnishings, and compacting of approximately 250 cubic yards of fill material. Caldwell Building Wreckers was the lowest of three bidders with a bid in the amount of \$3,420.00.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be passed.

- (f) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 17, India Basin Industrial Park Approved Redevelopment Project Area.

Authorization is requested to advertise a contract for the clearance of a vacant 201 foot high wood frame shed. Clearance of this structure is in accordance with the overall site preparation schedule.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that staff be authorized to advertise Demolition and Site Clearance Contract No. 17, India Basin Industrial Park Approved Redevelopment Project Area.

- (g) Consideration of negotiation of a contract for civil engineering services to Genge/Murray-McCormick, Hunters point Approved Redevelopment Project Area.

This item concerns authorization for negotiation of a contract for the hiring of a consulting engineer for a 12-month period to provide supervision of two major contracts totaling an estimated construction cost of \$3.6 million for the Hunters Point Project. In response to Mr. Hamilton's request Mr. Cannizzaro, Area Engineer, Hunters Point-India Basin, came forward and indicated that during the next 12 months staff will be completing 27 site improvement and clearance contracts with a value of approximately \$16.5 million. In analyzing staff needs over this period of time Mr. Cannizzaro noted there will be a need for a person who can provide design and construction coordination for the completion of Site Improvement Contracts 16 and 17 in Hunters Point. These two contracts involve construction of earth works, foundation walls, water and sewer lines for the housing in sites C, D, & E. Mr. Cannizzaro also noted that it would be to the Agency's advantage to hire a person with experience and knowledge of the design problems of the site. Mr. Cannizzaro recommended the hiring of Jack Young, Project Engineering for Genge/Murray-McCormick noting that Mr. Young's base salary plus overhead and a small degree of profit would be \$20 - \$21 per hour.

In response to Ms. Blomquist's inquiry Mr. Cannizzaro noted that Mr. Young would be needed on a full time basis but that there was a possibility that the services would be needed for less than 12 months. Ms. Blomquist also inquired how many engineers are at Hunters Point and Mr. Cannizzaro indicated that with Mr. Young there were 14 for a total staff of 18. Mr. Lee inquired if the Agency would negotiate with Jack Young or Genge/Murray-McCormick and Mr. Cannizzaro indicated that all negotiations would be with Genge/Murray-McCormick. In response to President Wexler's inquiry Mr. Kernan noted his support of the contract.

MOTION: It was moved by Ms. Shelley, seconded by Mr. Lee and unanimously carried that the staff be authorized to negotiate a contract for civil engineering services with Genge/Murray-McCormick in the Hunters Point Approved Redevelopment Project Area.

- (h) Resolution No. 126-77 rescinding no. 164-75, adopted July 24, 1975, designating Melvin Swig-Lyman Jee, a joint venture, as developers of the sports arena, Yerba Buena Center Approved Redevelopment Project Area D-1.

President Wexler announced this item would be held over.

- (i) Resolution No. 106-77 extending the agreement for paving services with Pacific Pavements Company, Ltd., all projects.

Mr. Hamilton indicated this contract has a remaining balance of \$75,509 from the original authorization of \$100,000. This firm was the lowest of three bidders for paving services in May, 1976. He noted that less paving was scheduled than originally anticipated resulting in the unexpended balance. It is now anticipated that the rate of expenditures will increase and would be expended in the next six month period. Due to the excellent performance of this firm and their affirmative action program it is recommended that the contract be extended for six months. After expenditure of these funds the work will again be put out for bid.

W BUSINESS (continued)

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be passed.

- (j) Resolution No. 127-77 establishing classifications of positions and compensation for the Agency staff and establishing the authority for appointment to and vacation from positions under said classifications and other related matters.

President Wexler indicated this item would be held over one week.

TERS NOT APPEARING ON AGENDA

- (a) Consideration to have staff proceed to negotiate on Agreement for Services with Economic Research Associates, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton noted that staff has been working closely with City staff on the development and design of an exhibit hall in Yerba Buena Center. The use of the exhibit hall's surface for a theme park treatment is being evaluated. To analyze this proposed use and other uses in the area the Agency needs the technical expertise that an economic and marketing firm can provide. Economic Research has particular expertise in this area and it is recommended that staff be authorized to negotiate a contract which would later be brought to the Commissioners for approval.

In response to Ms. Blomquist's inquiry Mr. Hamilton noted that this contract would be different from the services to be provided by Mr. Gryziec because Economic Research Associates would perform economic studies while Mr. Gryziec would be involved in the design and architectural aspects.

Mr. Glickman inquired if this contract had been discussed with Mr. Gryziec and Mr. Hamilton answered affirmatively noting that it had his approval. Mr. Glickman inquired if a maximum contract figure had been established and Mr. McMahon, Director, Real Estate, Marketing and Business Development, answered negatively.

MOTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that staff be authorized to negotiate an Agreement for Services with Economic Research Associates in connection with economic analysis in Yerba Buena Center.

- (b) Consideration of authorization to expend funds for the purchase of signs.

This concerns the purchase of signs which will identify those buildings and parcels upon which construction is underway in the Agency's project areas. This authorization would permit expenditure of a total of \$3,575 for 50 signs. Twenty-five of the signs would be for placement on buildings and would cost \$35 each and 25 would be free-standing signs at an amount not to exceed \$100 each. Mr. Hamilton recommended that this expenditure be approved subject to HUD approval.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the Executive Director be authorized to expend an amount not to exceed, \$3,575 for the purchase of signs to be placed in the project areas.

MATTERS NOT APPEARING ON AGENDA (continued)

- (c) President Wexler noted that Mr. Brian Spears, attorney representing the tenants at 1531 Sutter and 1869 Buchanan had requested an opportunity to make a statement before the Commissioners.

Mr. Spears came forward and indicated that Mr. Randle Padgett, also an attorney representing the tenants in 1531 Sutter and 1869 Buchanan, had met with the Agency staff to discuss the 1869 Buchanan Street building. He indicated that during this meeting the feasibility of moving the building had been discussed. It appeared that if the building was rehabilitated at its present location the rehabilitation work would have to come up to the standards set by the Agency and HUD and would cost approximately \$200,000. The cost of moving the building and rehabilitating it would be higher because it would have to be brought up to "new construction" standards. Under that proposal rehabilitation would cost about \$265,000 assuming there is no damage to the building during the move and exclusive of the costs of the move. Mr. Spears indicated his belief that the total cost of moving and rehabilitating the building would be over \$300,000. He noted that this would make the building infeasible to provide low rent housing. Mr. Spears requested when the building is considered by the Commissioners that they not preclude development of low rent housing by moving the building. He alleged that the Agency had not fulfilled its responsibility to provide replacement housing.

James Fogel, a representative of the Goodman building, came forward and indicated his belief that the Agency was using the study to convince Judge Benson that the building was unsafe and the tenants would have to leave. In response to President Wexler's inquiry he noted that he did not live in the Goodman building. Mr. Fogel urged the Agency to bring 1869 Buchanan up to minimum code standards at a cost of \$30,000.

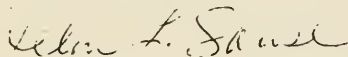
Mickey Imura of the Citizens Against Nihonmachi Eviction came forward and stated that the Agency has not responded to the 1531 Sutter and 1869 Buchanan Street matter. He opposed moving the 1869 Buchanan building and urged that it be maintained as low rent housing where it is. He indicated his belief that relocation is another word for eviction and that moving the building would cause environmental damage by creating a dangerous open hole and would affect a family who lives next door. Mr. Imura also inferred that the Agency would get money from the Office of Community Development and urged that these funds be used in the Japanese community and other communities to serve low income persons. Mr. Imura believed that the Agency could void its agreement with Nihonmachi Development and retain the building in place. He indicated that the Agency has no community commitment and has evicted thousands of people out of the Japanese community and caused fighting between people within the community. He again urged the Agency to break its agreement with the Nihonmachi Development Corporation and rehabilitate the 1869 Buchanan Street building for low rent housing.

President Wexler stated Mr. Imura's position is understood and assured him the matter would be on next week's agenda.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:05 o'clock p.m.

Respectfully, submitted,

A handwritten signature in cursive script, appearing to read "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF JUNE 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of June 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman

and the following were absent:

Walter F. Kaplan
Melvin D. Lee
Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were George Hagiwara, Soto Mission; Tim Harrington, Ike Guillory, and Bill Harrington, Hargil Construction, Inc.; Chris Papesh, Board of Supervisors Budget Bureau; Mickey Imura, Coalition to Support Nihonmachi Tenants; Felix Ison, International Hotel tenant; Ray Hin, International Hotel Support Committee; Diane Yamashiro, Citizens Against Nihonmachi Eviction; Dr. Kazue Togasaki; Donald Stang, Bay Area Chapter Lawyer's Guild; Pam Towill, Chinese Progressive Organization; Elaine Johnson, Union Wage, San Francisco Chapter; Joe Lambert, Tenants Action Group; Jerry Gyo, Asian Student Union, UC Berkeley; Jay Wong, Nihonmachi Little Friends of Japanese Community; Ellen Helfed, Peoples' Food System; Consuello Faust, Peoples' Cultural Center; Mas Ashizawa and Yori Wada, Nihonmachi Development Corporation; Wanda Water; Archbishop Nitten Ishida, President, Japanese-American Religious Federation; Mary Rogers and Arnold Townsend, Western Addition Project Area Committee; and Reverend David Nakagawa, Christ United Presbyterian Church.

Representing the press were Donald Canter, San Francisco Examiner; Katy Butler, San Francisco Chronicle, and Dan Borsuck, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The outstanding loan obligation to the Federal Government has been retired for Diamond Heights by a final payment of \$18,000. There is a surplus of funds from the project of which \$175,000 will be applied to the outstanding indebtedness of the Golden Gateway project.
- (b) The bid opening on project notes in the amount of \$1,910,000, for the Hunters Point and Stockton-Sacramento projects has shown the Bank of America, Continental Illinois National Bank and Trust Co. of Chicago and Merrill Lynch, Pierce, Fenner and Smith, Inc. to be the low bidders at 2.72 percent. There were eight other bidders ranging from 2.78 to 2.89 percent. This sale replaces project loan notes in the amount of \$2,095,000.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) The firm of Environmental Science Associates has been selected as the environmental consultant for Yerba Buena Center. This selection was made through a process of advertisement, review, and analysis by a team made up of staff of the City and Agency.
- (d) There will be a press conference to announce the conceptual design for the Yerba Buena Center Exhibition Hall on June 22, 1977 at 11 a.m. in Kendrick Auditorium of the War Memorial Veterans Building in San Francisco. Mr. Roger Boas, Chief Administrative Officer of the City, and Gyo Obata, Principal Project Architect, will be on hand to present the concept for the exhibit hall and to answer any questions.
- (e) In connection with the proposed Northern Waterfront planning area, staff has been working with the Department of City Planning to identify a Citizens' Advisory Committee. The following have been proposed as members of representative groups to serve on the Committee:

Alessandro Baccari
James R. Bronkema
Barry L. Bunshoft
Mrs. Lilly Cuneo
Becky Evans
William D. Evers
R. Gwin Follis
Maris T. Fravel
Rod Freebairn-Smith
Jack Goldberger
Richard N. Goldman
James Herman
Robert Katz

Ron Kaufman
Jean Kortum
Mrs. Toby Levine
Jack D. Morrison
Toby Rosenblatt
Paul Sack
Paul Sherrill
Mrs. Molly Sprouse
Benny Stewart
Linda Wang
Howard M. Wexler
Hellman Yee
Eugene Coleman
Ellen Roberts

Resolution No. 137-77 appointing the Advisory Committee for the Northern Waterfront Redevelopment Survey Area.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted, which is attached and incorporated into these minutes, designating the above-named Individuals to serve as the Citizens' Advisory Committee for the Northern Waterfront proposed project area.

- (f) There have been meetings within the last two days which affect the current status of the property at 1869 Buchanan Street in Western Addition Area A-2. Yesterday, a meeting was held which included Mrs. Mary Rogers, Arnold Townsend, and Benny Stewart, representing the Western Addition Project Area Committee (WAPAC); Messrs. Mickey Omura, Marshall Ogawa, and Brian Spears, Attorney, representing the Coalition to Support Nihonmachi Tenants; Mr. Redmond F.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Kernan, Deputy Executive Director, Planning and Development; Mr. Gene Suttle, Area Director, Western Addition A-2; Mr. Richard Kono, Deputy Area Director, Western Addition A-2; and Wilbur W. Hamilton, Executive Director. As a result of this meeting there were several potential solutions discussed which should be explored in more depth. The issues center around the need for low income housing while preserving commitments for development. It was apparent from the discussion that more time is needed for exploring financing techniques and arriving at acceptable alternatives. One main consideration is the fact that if the building were to be demolished and new units built on the site, more units would be available than if the building were to be rehabilitated in place. Since these options and their acceptability to the various groups should be explored, staff has requested and Judge Benson has granted an extension of time for determination of the building's disposition until July 14 at 1:30 p.m. During this time evaluation of the concerns of all interests will be explored. These considerations will take into consideration the concerns for low-rent housing in such a way as to not violate the commitment to the Nihonmachi Development Corporation. Mr. Hamilton stressed that it was not known if the tenant at 1869 Buchanan would qualify for low-income housing under Federal guidelines.

NEW BUSINESS

- (a) Resolution No. 130-77 awarding Site Improvement Contract No. 20a, Hunters Point Redevelopment Project NDP A-5 to Tamal Construction Company.

This contract will provide for the construction of mini-parks adjacent to housing Sites 4a and 4b, and other minor landscaping work. This contract represents a portion of a larger contract which was previously advertised and no bids were received. Tamal Construction Company has competently performed two comparable contracts for the Agency. Their safety and affirmative action programs have been reviewed and found to be satisfactory. Mr. Hamilton noted that the high bid had been \$624,156 and recommended award of contract to Tamal Construction Company for \$538,482.40.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 131-77 rejecting all bids for Site Improvement Contract No. 21, Hunters Point Redevelopment Project NDP A-5.

This item concerns the construction contract for landscaping Ridgetop Park. Three bids were received and the lowest bid of \$1,256,860 was 67 percent above the architect's estimate. The architect estimated the construction cost at \$753,953, which reflects an unacceptable difference between estimate and low bid. Since all of the bids were closely grouped they appear to represent actual cost. Therefore, staff recommends a redesign of the contract to eliminate items which will not affect the beauty or function of the park. A provision for this redesign is included in the architect's contract and will be done at no additional cost to the Agency. Mr. Hamilton recommended rejection of all bids. In response to Mr. Glickman's Inquiry, Mr. Earl Mills, Area Director, Hunters Point-India Basin, noted approximately two weeks were required for this redesign and that it primarily affected grading and cement work. He did not believe it would jeopardize the quality of the park.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 132-77 approving and providing for the execution of a Fifth Amendatory Agreement amending Neighborhood Funding Agreement No. 4 for Loan and Capital Grant Contract No. Calif. A-5 (LG) by and between San Francisco Redevelopment Agency and the United States of America.

Mr. Hamilton noted this agreement concerns the funding contract for the Hunters Point and Stockton-Sacramento projects. In response to his request, Mrs. Jane Hale, Assistant Executive Director for Administration, addressed the Commissioners, indicating that the matter is essentially a bookkeeping transaction resulting from HUD's ruling that adjustments in relocation expenses be done by contract amendment. Increased relocation costs resulted from the Uniform Relocation Housing Act which provided that people who moved prior to July 1, 1972 could file additional claims. In response to Ms. Blomquist's inquiry, Mrs. Hale indicated that these funds represent an intra-budget transfer, not a transfer of funds from one to another. She also noted that staff had known these funds were to be transferred and had budgeted community development funds that will ultimately be used to replace this amount.

A resolution entitled: (Resolution No. 132-77)

APPROVING AND PROVIDING FOR THE EXECUTION OF A FIFTH
AMENDATORY AGREEMENT AMENDING NEIGHBORHOOD FUNDING
AGREEMENT NO. 4 FOR LOAN AND CAPITAL GRANT CONTRACT NO.
CALIF. A-5 (LG) BY AND BETWEEN SAN FRANCISCO REDEVELOP -
MENT AGENCY AND THE UNITED STATES OF AMERICA.

was Introduced by the President.

Said resolution was then read in full and discussed and considered.

Ms. Blomquist then moved the adoption of the resolution as introduced and read.
Ms. Shelley seconded the motion, and on roll call the following voted "Aye":

Mr. Wexler
Ms. Shelley
Ms. Blomquist
Mr. Glickman

and the following voted "Nay":

None

The President thereupon declared the motion carried and the resolution adopted as introduced and read.

- (d) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 46, Yerba Buena Center Approved Redevelopment Project Area.

NEW BUSINESS (continued)

Mr. Hamilton noted this resolution seeks the demolition of a two-story concrete building which was previously the Yerba Buena Center project office. This demolition is necessary in order to convey a cleared site to TODCO which is the housing development arm of TOOR for construction which is anticipated to start by October 1, 1977. In response to Ms. Blomquist's inquiry, Mr. Hamilton noted that TODCO has funding for the development and the sponsor has a firm commitment from the Housing and Community Development Commission. Mrs. Hale responded to Mr. Glickman noting the building has been vacant for a year.

MOTION: It was moved by Mr. Glickman and seconded by Ms. Shelley that the staff be authorized to advertise Demolition and Site Clearance Contract No. 46, Yerba Buena Center Approved Redevelopment Project Area, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Blomquist
Mr. Glickman
Mr. Wexler

and the following voted "Nay":

None

and the following abstained: None

The President thereupon declared that the motion carried.

- (e) Resolution No. 129-77 approving work order for residential environment and building inspection services for the period July 1, 1977 to June 30, 1978 for Western Addition A-2, Yerba Buena Center, Hunters Point, India Basin Industrial Park, Stockton-Sacramento, Northeast Waterfront and Bayview-North Approved Redevelopment Project Areas.

This item concerns inspections of units to be used for rehousing in order to determine if they meet the appropriate standards by the Department of Public Works. Mr. Hamilton recommended approval of a work order for these services in an amount not to exceed \$50,000 to cover salaries, fringe benefits, and overhead to meet this HUD requirement. In response to Mr. Wexler's inquiry, Mr. Hamilton noted that the funds would be used on an as needed basis. Ms. Blomquist inquired about the cost of such services for the preceeding year and Mr. Hamilton noted the amount expended can not be determined since the City is several months behind in its billing. He added that any funds not expended last year could be used to defray the cost of this work order. Mr. Hamilton responded to an inquiry from Mr. Wexler, noting that these services are for services required by the Agency, therefore are not paid for from City funds.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 127-77 establishing classification of positions and compensation for the Agency staff and the authority for appointment to and vacation from positions under said classifications and other related matters

This item will establish the Agency's salary levels for the fiscal year July 1, 1977 to June 30, 1978 to conform to comparable classifications in the city. The Agency is required by HUD to annually establish a salary schedule which is comparable to that paid to similar position in the City. The new salary levels

NEW BUSINESS (continued)

for the City have been established for 1977-78 and it is recommended that the Agency incorporate comparable classifications. This recommendation does not incorporate suggested changes recommended by the Civil Service in its preliminary survey report. Mr. Hamilton noted that the resolution established different percentages of increased compensation to conform with the City's policy and that in previous years, raises had been predicated on a uniform increase and in one year a flat \$50 per month had been given each employee. This year's raise reflects a great deal of study by the City as well as negotiations with union groups and approved by City votes. The resolution also provides for changes in eight classifications to better accommodate staff needs. Four of these classifications include Photographer, Senior Microfilm Technician and Skilled Wrecker. Two classifications would be combined: Confidential Secretary to the Executive Director and Confidential Secretary to the Deputy Executive Director would be consolidated to the classification of Confidential Secretary; two existing classifications would be retitled as Draftsperson I to Draftsperson, and Assistant Director, Planning and Programming to Assistant Chief, Planning and Programming.

Ms. Blomquist noted that opposition to salary increases was unpopular, but she believed that she represented the taxpayers of San Francisco and approval of higher salaries would exacerbate the already onerous tax burden levied against property in the city. She commented on specific examples which illustrated her view that the proposed salary recommendations were excessive, noting that it was proposed an employee with a \$19,000 annual salary would receive a 13.5 percent increase resulting in over \$2,000 additional per year; a \$20,000 per year employee would receive a 13 percent increase or \$200 per month. Ms. Blomquist indicated that employees in the lower salary ranges would not receive such large increases and that these also exceed salaries for employees in private industry. She urged the other Commissioners to vote against this salary increase.

In response to an inquiry from President Wexler, Mr. Hamilton noted that the proposed salary recommendations conform to those enacted by the City. Mr. Hamilton recalled the controversy over City salaries which resulted in work stoppage and extensive public dispute which was finally resolved by developing a formula for salary increases which was approved by the Board of Supervisors and the city voters. The increase proposed in this resolution conforms to those agreed upon for the city. Mr. Hamilton further noted that maintenance of parity with the City has always been followed and cited as an example a year when the City received a blanket increase of only 1.8 percent and the Agency also approved a similar amount for staff. He urged that the proposed resolution be approved.

Mr. Dennis Bouey, Business Manager for Local 21, came forward and indicated his concurrence with Mr. Hamilton's position. He stressed that approval of the proposed salary resolution is necessary to maintain parity with the City employees. If such comparability is not required then employees are free to negotiate for increases.

Ms. Shirley Wysinger, President of Local 400, Redevelopment Section, also came forward and urged approval of the resolution since it conforms with the decision of the voters in last years' election and represents negotiated and valid increases.

Ms. Shelley also expressed her concern for increasing taxes but stressed her belief that it was unreasonable for taxpayers to expect services from public employees without paying salaries which reflected fair wages for work performed.

She also noted that increases in salaries were necessary because of the inflation of living costs.

President Wexler noted that it was his understanding that salaries for Agency staff are paid from Federal funds and not paid from San Francisco property taxes. The only link with the City's taxpayers is that a portion of Federal income tax fund Agency activities. Mr. Hamilton confirmed the validity of Mr. Wexler's statement.

ADOPTION: It was moved by Ms. Shelley and seconded by Mr. Glickman that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley
Mr. Glickman
President Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion passed.

- (g) Resolution No. 124-77 authorizing the Executive Director to enter into a disposition agreement with Isaac P. Guillory and William P. Harrington, partnership, and execute necessary conveyance instruments; approving minimum disposal price; and ratifying and confirming publication of a notice of public hearing; all in connection with the sale of parcel 1100-F Western Addition Approved Redevelopment Project Area A-2.

This item concerns the construction of 18 units of housing at the southeast corner of Divisadero and O'Farrell Streets. The structure would be a two-story wood frame building designed to complement the surrounding Victorians. The Western Addition Project Area Committee has reviewed and endorsed the proposal. The development schedule requires submittal of preliminary plans by August 1, 1977; final plans on September 1, 1977; and evidence of mortgage financing by November 18, 1977. The construction period would be 12 months.

In response to Mr. Glickman's inquiry, Mr. Hamilton noted there were no other bidders and this was a negotiated award. Mr. Gene Suttle, Area Director, Western Addition, came forward and added that there was no response to the offering of the parcel in 1975 and no interest in it since then. In response to President Wexler's inquiry, Mr. Suttle noted the proposed development has been reviewed and approved by the Landmarks Advisory Board and neighborhood groups.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Shelley and unanimously carried that this resolution be adopted.

- (h) Consideration of the status report on 1531 Sutter and 1869 Buchanan Streets, Western Addition Approved Redevelopment Project Area.

President Wexler noted that since there were a large number of people who wished

NEW BUSINESS (continued)

to speak on this item, he would request that individuals wishing to speak limit their time to 3 minutes and allow organizations a total of 12 minutes. Mickey Omura, Coalition to Support Nihonmachi Tenants, came forward and expressed his opposition to any evictions and his support for low rent housing. He indicated that this was widely supported as evidenced by two successful attempts to force the Agency to halt evictions. Mr. Omura noted that as a result of the recent meeting between Agency staff, WAPAC, Mr. Ashizawa, and the Tenants Coalition, it had been decided to ask Judge Benson for an additional two weeks to further explore this matter. He stressed that the Coalition opposed moving or demolishing the building. He indicated the willingness of the Coalition to compromise as long as there are no evictions and low rent housing is provided. Mr. Omura alleged that the Agency destroyed low rent housing in the area and forced people out of their homes. He also expressed his belief that the Agency does not have a commitment to the Nihonmachi Development Corporation (NDC). He alleged that the proposal to demolish 1869 Buchanan to implement the NDC plan was to destroy the remaining low-rent housing in the Japanese Community. He urged that Mr. Ashizawa's deposit money be returned and the property used for low-rent housing. Mr. Omura alleged that the NDC was once a progressive organization which supported the people and the merchants but over the years has changed as a result of new moneyed members such as Mr. Ashizawa and corporations in Japantown. Mr. Omura urged the Agency to fulfill its commitment to fix the 1531 Sutter building and assist tenants to purchase the building in order to guarantee that it is maintained for low-rent housing. Mr. Omura also demanded that the Commissioners adopt a resolution ensuring low rent housing in the Japanese community.

Mr. Felix Ison, a tenant at the International Hotel, came forward to protest any further destruction of low-rent housing which he cited as the worst disturbance in the city. He indicated that the tenants at the International Hotel support the Japanese people and asked that the Agency assist the tenants instead of evicting them.

Mr. Ray Hing, member of the International Hotel Tenants Support Committee, came forward and urged the Agency to stop evictions. He noted that he is a four-generation resident of the City and alleged that land speculators are destroying the neighborhoods.

Ms. Diane Yamashiro, Citizen's Against Nihonmachi Eviction, came forward expressing her support for the demands of the tenants of 1869 Buchanan. She alleged that three blocks of Japantown had been destroyed to build a tourist center which profited Japanese corporations. She also expressed concern that in spite of the fire, health and safety hazards at 1531 Sutter, the Agency has allowed four weeks to elapse and still has not corrected the hazards. She believed that the NDC is not representative of the vast majority of the Japanese community and are only interested in its financial gains and accruing power as leaders of the Japanese community. She also expressed concern that the NDC has not provided low-rent housing in its developments. Ms. Yamashiro demanded a termination of the NDC agreement on the 1869 Buchanan property and rehabilitation of that building.

Dr. Kazue Togasaki came forward stating that she has been a resident of the area since 1912 and lives across the street from 1869 Buchanan. She believes this building should be retained for low-rent housing particularly because the large units will accommodate families with two to three children and grandparents.

NEW BUSINESS (continued)

Dr. Togasaki indicated that she had experienced the 1907 Exclusionary Act and knows what it's like to be evicted and urged that there be concern for the welfare of the community.

Mr. Donald Stang representing the Bay Area Chapter of the Lawyer's Guild came forward stating that he represented the 5,000 members of the Guild and supported CANE in opposing eviction from 1869 Buchanan Street. He alleged that the Agency has been responsible for the dispersal of thousands of people that lived in this community, and demolition of this low-rent housing would favor the developer over the social needs of the community.

Ms. Pam Towill, Chinese Progressive Association, came forward in support of the tenants. She demanded the Agency fix up the buildings and advised the Chinese Progressive Association will work to support the Coalition.

Ms. Elaine Johnson, member of Union Wage, San Francisco Chapter, urged the Agency to save the Buchanan Street building and begin repairs on 1531 Sutter to ensure safe, decent living space for the people and their children. She believed that the Agency had a responsibility to house low-income people in the city. Ms. Johnson noted that the Union Wage organization will publicize the Agency's actions on these two buildings and on low-rent housing in general.

Mr. Joe Lambert, Tenants Action Group, came forward stating support for the tenants and their right to low-rent housing in their community. He believes the Coalition is clear in its demands and these should be implemented as soon as possible. He believed that the International Hotel situation illustrated that relocation meant eviction.

Mr. Jerry Gyo, Asian Student Union, UC Berkeley, came forward to express support for the Coalition and alleged that the Agency was using the NDC agreement as an excuse to destroy the Japanese community. He urged the Agency to assist the tenants in purchasing the property and repair the life safety hazards of 1869 Buchanan. He believed that the Agency should carry out its responsibility for providing low-rent income in the community.

Mr. Jay Wong, of the Nihonmachi Little Friends of the Japanese Community, came forward to support the Coalition and urged that consideration be given to allowing organizations which teach a bilingual educational program to children to have sites in the community. He believed that the Japanese community needs low-rent housing and 1869 Buchanan and 1531 Sutter should be used as low-rent housing.

Ms. Ellen Helfed, Peoples' Food System, came forward to support the Coalition and urged the Agency to provide low-rent housing in the Japanese community. Also, she called for the termination of the Agreement between NDC and the Agency. Ms. Conswello Faust, Peoples' Cultural Center, spoke in support of the Coalition and opposed any evictions in the community and asked that low-rent housing be built for the Japanese community and other Third World communities.

A man affiliated with a newspaper published in the Mission District claimed that evictions have also occurred in the Capp Street area where business interests had taken priority over the housing.

A representative of the United Group Against the Bakke decision stated his support of the people's right to low-rent housing and opposed the demolition or moving of the 1869 Buchanan building.

NEW BUSINESS (continued)

Mr. Mas Ashizawa, President, Nihonmachi Community Development Corporation (NCDC), came forward to support this organization's position. He commented on 1869 Buchanan and urged that the Agency honor its contract with NCDC which had been entered into in good faith. He believed that the Agency is legally bound and morally obliged to clear the land and to deliver the site so it can be developed. He indicated that the NCDC had fulfilled its obligations under the contract and have expeditiously developed the sites that have been delivered to it. In the interest of clarifying the occupancy of 1869 Buchanan, Mr. Ashizawa pointed out there is only one legal tenant in the building.

Mr. Yori Wada, NCDC Board member, also supported the development by NCDC. He noted that it had been over ten years since the first meetings of the Committee for Nihonmachi which later became Nihonmachi Community Development Corporation. These residents of the Nihonmachi worked with the Agency staff to develop a master plan for the community. The NDC grew out of the belief of the merchants and land owners in this four block area that they were entitled to participate in the decisions affecting the area. He recalled that this was still at a time when many people talked harshly about the Japanese community and it was the hope of many to leave the community as soon as they were able. Mr. Wada noted that the area could have been termed a ghetto and indicated that he had lived in the Nihonmachi for four years. He stressed his belief that there were many people at the meeting who alleged that they represented the community but in reality come from middle class families and do not know what it is like to live in a ghetto. Mr. Wada urged that the Japanese community be allowed to decide what it wants in its community rather than be dictated to by people who have never lived there.

President Wexler commented on the many outbursts from the protestors in the audience and noted this could create an unfavorable atmosphere for consideration of the matter by the Agency. He also commented that Mr. Wada is a greatly respected leader of the Japanese community and that the Governor has shown the respect of the State government by appointing him to the Board of Regents.

Ms. Wanda Water, resident and community worker since 1946, came forward and acknowledged that redevelopment in the four blocks of the Nihonmachi area had been painful to some people but she believed that if development according to the master plan was stopped at this stage more people would be hurt and as an example noted that there were many people who had begun development and those who have proceeded to plan their development in accordance with the Master Plan. She urged the Agency to fulfill its commitment.

Archbishop Nitten Ishida came forward and identified himself as the President of the Japanese-American JARF which is the sponsor of the 245-unit Nihonmachi Terrace Development next to Nihonmachi. He expressed his familiarity with Committee Against Nihonmachi Evictions because they had opposed the JARF development. He called for the completion of the Nihonmachi area as it had been planned and noted that because low-rent housing is to be built adjacent to the Nihonmachi, none had been planned for the four block area. He stated that the Western Addition comprises three percent of the area of San Francisco and contains over 30 percent of the City's low income housing and that it would be unreasonable to contend that there was insufficient housing of this type in the area. He also noted that Nihonmachi previously designated for public housing

NEW BUSINESS (continued)

to two private developers to build market rate housing and that this created more pressure for low-income housing in the Nihonmachi area.

Archbishop Ishida called for completion of the Nihonmachi Master Plan and offered to sponsor low-rent housing on Webster Street should the present developer withdraw.

Mary Rogers, Western Addition Project Area Committee, came forward and stated WAPAC had passed a resolution urging the Agency to save the 1869 Buchanan Street building if at all feasible. She also endorsed rehabilitation of the units at 1529-31 Sutter to provide low-income housing for the five tenants involved. She indicated that it is not certain these five tenants qualify for low-rent housing and if not, negotiations to provide such housing were in vain. She suggested that a compromise would be to pool the tenant's money for the purchase of the buildings. Mrs. Rogers angrily charged the Coalition for failure to agree on even one compromise and threatened to withdraw her support because many of the protestors did not live in the community.

Reverend David Nakagawa, Christ United Presbyterian Church, came forward and stated his church has been in the community for 92 years and supports the agreement between NCDC and the Agency which represents 15 years of planning and efforts to implement the Plan. Former owners in the area sold their buildings with the understanding that the planned redevelopment would take place and there were other people who committed their resources in the belief that the Agency would fulfill its commitment. Reverend Nakagawa stated he lived in the area in the 1950's and he recalls that it was then a seriously deteriorating community and that the community recognized that a change had to be made. He recalled the hard work of the people who gave of their money and energy to see this development completed and urged that the Commissioners not be swayed by people who do not live in Nihonmachi but only orchestrate rhetoric. He again urged the Agency to honor the agreement made years ago.

Mr. Arnold Townsend, Western Addition Project Area Committee, came forward and reiterated WAPAC support for retention of the building in place and opposed demolition of any potential low-rent housing to make way for more expensive units. He commented on disrespect shown Mr. Yori Wada by many of those present and indicated that he is the only person that came to the area to support black people when there were few others opposing their evictions. He believed it was improper for the Coalition to insult Mr. Wada just because they disagree with him. He indicated that the primary question is whether the NDC agreement is legally binding. He noted that WAPAC has only advisory powers, but represents a large segment of the community compared to those present protesting the completion of the Nihonmachi Master Plan. Mr. Townsend stressed his belief that if the agreement is legally binding, the arguments are moot.

In response to President Wexler's invitation for additional comments, Mr. Hamilton noted that the Agency's concern for low rent housing is made clear by the amount of low-rent housing dispersed throughout the Western Addition project and stressed that the entire focus of the comments concerned a specific four-block area rather than the total project. He indicated that subsidized and low income housing has been dispersed throughout the project area to avoid concentration of such housing in one area. Mr. Hamilton noted that the Agency

NEW BUSINESS (continued)

is concerned that low-income housing be available for those who need it. He indicated that an approach should be followed which will deliver the maximum number of low-income housing that are feasible. He recommended that during the next two weeks discussion continue with the Agency staff, members of the Tenants Association and other representatives to reach the best solution to the problem. He reiterated that the Agency definitely has accepted responsibility for housing those of low and moderate income.

President Wexler urged that during the next two weeks efforts be made to arrive at a solution which will bring benefit to those in need. He believed that dissention over a building like 1869 Buchanan will not resolve the problem of human needs.

- (i) Resolution No. 133-77 ratifying travel for Executive Director.

This item ratifies the travel of the Executive Director to Washington, D.C. to meet with the Secretary of the Department of Housing and Urban Development and the National Association of Housing and Redevelopment Officials staff on June 16-17, 1977.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Glickman and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Ms. Shelley and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:20 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

RESOLUTION NO. 137-77
(Adopted June 21, 1977)

APPOINTING THE ADVISORY COMMITTEE FOR THE
NORTHERN WATERFRONT REDEVELOPMENT SURVEY AREA

WHEREAS, the Board of Supervisors, by Resolution No. 120-77, designated a portion of the Northern Waterfront for a survey area to determine the feasibility of the area's renewal through redevelopment; and


WHEREAS, Board of Supervisors' Resolution No. 120-77 also provides for the appointment of persons who have a demonstrated knowledge and interest in the planning and development of the waterfront to a Citizens' Advisory Committee to provide representation from the San Francisco Community;
now

THEREFORE BE IT RESOLVED by the San Francisco Redevelopment Agency that the following persons are appointed to membership on the Citizens' Advisory Committee for the Northern Waterfront:

Alessandro Baccari
James R. Bronkema
Barry L. Bunshoft
Eugene Coleman
Lilly Cuneo
Becky Evans
William D. Evers
R. Gwin Follis
Maris T. Fravel
Rod Freebairn-Smith
Jack Goldberger
Richard N. Goldman
James Herman

Robert Katz
Ron Kaufman
Jean Kortum
Toby Levine
Jack D. Morrison
Ellen Roberts
Toby Rosenblatt
Paul Sack
Paul Sherrill
Molly Sprouse
Benny Stewart
Linda Wang
Howard M. Wexler
Hellman Yee

APPROVED AS TO FORM:



Tilden H. Edwards
Agency General Counsel

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF JUNE 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of June 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Walter F. Kaplan
Melvin D. Lee

and the following were absent:

Hannibal A Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were A. LaCosse; K. LaCosse; Mac Suzuki, Promex Corporation; Thomas Hsieh, Thomas Hsieh Architects; Mary Rogers, Gene Stancil, Benny Stewart, Richard Harper and Arnold Townsend, Western Addition Project Area Committee; Gene Lam, Gene Lam and Associates; Mr. Rescalvo, Rescalvo/O'Connor; Dr. Edwin Johnson; Pauline Seagull; and Mr. Centurion, Centurion, Schoof, Jacobs, Vinson, Komo and Taylor.

Representing the press was Donald Canter, San Francisco Examiner.

President Wexler welcomed Mr. Kaplan back from jury duty and vacation and noted Dr. Williams was recovering from his back problem and hoped to return within one to two weeks.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that the minutes of a Regular Meeting of June 14, 1977 and the minutes of an Executive Meeting of June 14, 1977, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- a) Public hearing to hear all persons interested in the disposition of low-to-moderate-priced private housing Site No. 13, Parcel 677-B (easterly side of Fillmore Street between Bush and Sutter Streets), Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the disposition of low-to-moderate-priced private housing Site No. 13, Parcel 677-B, Western Addition Approved Redevelopment Project Area A-2.

Mr. Mac Suzuki, Promex Corporation, came forward to advise he and two other individuals believed they had a claim on this development and have filed a complaint in court.

SPECIAL APPEARANCES (continued)

President Wexler inquired if Mr. Suzuki would prefer to amplify his complaint when this matter is under discussion rather than during the public hearing and Mr. Suzuki noted that since his counsel is not present, he would like to comment further on the complaint during consideration of the item. Mr. Edwards acknowledged receipt of a copy of a letter from Mr. Suzuki and his associates which was addressed to the Department of Housing and Urban Development and which demanded that he and his associates not be excluded from the proceedings involved with this parcel. Mr. Edwards noted that apparently Mr. Suzuki and his associates consider themselves to be general partners in this development. President Wexler noted that there would be an opportunity for additional comments and since no others wished to speak on this matter, declared that the public hearing was closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Board of Supervisors approved a study area for a second redevelopment project in the Chinatown community. The boundaries include generally Powell, Stockton, Sacramento and Washington Streets. Studies will now commence to determine treatment of the area and plans for provision of housing on the site.
- (b) The Housing and Urban Development Secretary has announced the appointment of Ms. Emma McFarlin for the Region 9 office which services San Francisco. Ms. McFarlin is a former Administrative Assistant for the Regional Office and is presently a Professor at the University of California, Los Angeles. Staff is looking forward to working with her.

UNFINISHED BUSINESS

- (a) Resolution No. 134-77 designating Rescalvo/O'Connor, a partnership, as redeveloper of Parcel 719-A (northeast corner, Franklin & Ellis Streets); directing that the Executive Director take the necessary action to obtain approval of the proposed redeveloper from the Department of Housing and Urban Development and to publish a notice of public hearing in connection with the proposed disposition of the parcel in Western Addition Approved Redevelopment Project Area A-2.

This matter was originally considered at the Regular Meeting of May 3, 1977 and the partnership of Rescalvo/O'Connor was designated as developer of the parcel, however, action was rescinded at the meeting of May 10, 1977 to provide time for all interested parties to make additional information available for objective evaluation of the development proposals for this site. Mr. Hamilton noted that staff had evaluated letters submitted by Gene Lam and Associates which indicated that there was an interest among lenders for his planned condominium units but that it would require final plans and firm construction costs before a commitment could be obtained. The staff recommendation of Rescalvo/O'Connor as developers of this parcel remains unchanged. Their proposal to construct a four-story building will provide 30 to 38 units of rental housing with rents ranging from \$245 per month for a one-bedroom to \$340 per month for two-bedroom units. The land disposition price of \$7.50 per square foot for 13,200 square feet is \$100,000. Mr. Hamilton noted that WAPAC has again considered this matter and withdrawn their previous support for Rescalvo/O'Connor and by motion urged the Agency to reject all proposals and use the parcel as a public housing site. He also noted that the developers who submitted proposals were present and may wish to comment.

UNFINISHED BUSINESS (continued)

President Wexler invited the developers to use this opportunity to present any new or additional information.

Mr. Centurion came forward in behalf of the proposal of Centurion, Schoof, Jacobs, Vinson, Komo and Taylor, and noted that his proposal was changed essentially to shorten the development time. This resulted from learning that the development time did not include actual construction time and decreased the development time to approximately five to nine months, depending upon the type of financing. He noted that the cost of the project has changed slightly but is not a major item and that the rental structure would be \$295 per month for a one-bedroom unit to \$350 per month for a two-bedroom unit with an additional charge for garage space. These rents are projected based on the costs of financing at today's rates with rental to occur within a year.

President Wexler inquired about the discrepancy between these rents and those previously submitted at \$335 for one bedroom and \$390 for two bedroom units and Mr. Centurion indicated that the difference was due to the cost of parking which starts at \$40 per month. Mr. Centurion further noted that rents are structured to pay for the operating costs and essentially do not reflect profit but provide for the debt service at 60 percent of the operating costs.

Mr. Gene Lam, Gene Lam and Associates, came forward and noted that the new information he had submitted in a letter emphasized the benefits of building condominium units to increase ownership opportunities. In response to President Wexler's inquiry, Mr. Lam indicated that he knew of no condominium units in the city of San Francisco that sold in the \$45,000-\$75,000 price range that he was proposing because he was proposing use of a new construction concept with all-steel structure which lowers the construction costs and results in a lower sales price. He indicated that his consultants, Pacific Union Co., believe that there is a need for condominiums in this price range although no specific studies have been performed.

Mr. Rescalvo, Rescalvo/O'Connor, came forward and indicated that he had nothing to add to his original proposal and in response to President Wexler's inquiry he confirmed that the proposed rental rates of \$245 to \$340 per month included parking.

Arnold Townsend, Western Addition Project Area Committee, came forward to comment on WAPAC's proposal that the Commissioners reject all bids and put public housing units on the site. He noted that it appeared that recent legislation would permit construction of this type of housing. He indicated that WAPAC based its proposal on the intent of the legislation to place public housing in scattered locations. Mr. Townsend also urged construction of scattered public housing in other areas such as the Van Ness Corridor and the Sutter, Bush, Fillmore Streets area. He indicated that WAPAC had not felt that any of the proposals had particular merit and that there was no real demand for \$70,000 condominiums.

In response to President Wexler's inquiry, Mr. Hamilton confirmed the need for scattered public housing noting, however, he noted that this site is unsuitable for this type of housing which is to house families. Evaluation of such factors as traffic patterns show that this corner location would be more appropriate for market rate housing. Mr. Hamilton further noted that the Agency

UNFINISHED BUSINESS (continued)

wishes to increase ownership opportunities, however, the families that could purchase the units in Mr. Lam's proposal do not meet the purchasing capability of the people with whom the Agency is concerned and that people who can afford higher price ranges have other alternatives. He reiterated the staff's recommendation that the Rescalvo/O'Connor proposal be approved.

In response to Mr. Glickman's inquiry, Mr. Michael Mann, Business Development Specialist, noted that the proposals of all three developers had been evaluated and that it appeared the projected rents would support construction costs and mortgage commitments and allow a reasonable profit for the investors. In response to Mr. Glickman's inquiry concerning the recommendation of staff on what would be the most advantageous development of this site, Mr. Hamilton reiterated staff's desire to increase ownership opportunities but he believed that the condominium prices in the Lam proposal would not serve the needs of the people as well as construction of a rental development with a lower per unit charge. Mr. Glickman stressed his belief in the desirability of ownership opportunity units if other factors were equal. He noted that construction costs would be approximately the same for rental or condominium units and believed that homeownership provided a greater benefit to the City.

ADOPTION: It was moved by Mr. Kaplan and seconded by Ms. Blomquist that the resolution designating Rescalvo/O'Connor, a partnership, as redeveloper of Parcel 719-A (northeast corner, Franklin and Ellis Streets); directing that the Executive Director take the necessary action to obtain approval of the proposed redeveloper from the Department of Housing and Urban Development and to publish a notice of public hearing in connection with the proposed disposition of the parcel in Western Addition Approved Redevelopment Project Area A-2 be adopted, and on roll call the following voted "Aye":

Mr. Wexler
Ms. Shelley
Ms. Blomquist
Mr. Kaplan

and the following voted "Nay":

Mr. Glickman
Mr. Lee

and the following abstained:

None

President Wexler expressed the appreciation of the Commissioners for the interest shown by the developers and encouraged them to continue to work with the Agency in an effort to meet the housing needs in San Francisco.

NEW BUSINESS

- (a) Resolution No. 135-77 making certain findings in connection with low-to-moderate priced private housing site no. 13, Parcel 677-B (easterly side of Fillmore Street between Bush and Sutter Streets); authorizing execution of agreement for disposition and deed in connection therewith; and terminating all prior negotiation and sponsor

NEW BUSINESS (continued)

solicitations in connection therewith; Western Addition Approved Redevelopment Project Area A-2.

This is the matter that was the subject of the public hearing and concerns the proposed construction of a four-story building with 101 units which will rent for \$196 per month. Forty percent of the units will be subsidized. In addition the building will have 8,000 square feet of commercial and office space and a garage for residents and the commercial users. Mr. Hamilton noted that there had been a lengthy process involved in getting this proposal finalized, including formation of several partnership entities to sponsor the development. The one constant factor in the effort to form a viable partnership entity has been the participation of the Johnson family. All previous designations of sponsors have now expired but based on the legal opinion of Agency General Counsel Tilden H. Edwards, it is recommended that solicitations of interest and designations of entities be terminated and that Marion Johnson and Associates which is comprised of Dr. Edward Johnson and his associates be designated as sponsors of this development. These units are one of the last of the subsidized developments to be built under a Section 236 commitment and there is an urgent need to complete HUD processing to avoid its revocation of funds. Mr. Hamilton noted that Dr. Johnson is present and may wish to comment. In response to President Wexler's inquiry, Mr. Hamilton noted that there had been no previous action of the Agency to terminate previous designations by default proceedings but that the agreements had expired as a matter of time.

Mr. Mac Suzuki came forward and noted that he believed the development rights to this site had been given by Marion Johnson and Associates to Raphael DuBard by entering an agreement which required Mr. DuBard to act as a processor and expeditor of the application. Later this year, DuBard, who had worked on the project for a number of years, asked Messrs. Suzuki and Prockiwi to carry the work forward as general co-partners. In response to President Wexler's inquiry, Mr. Suzuki noted that DuBard had resigned from the partnership and they believed that he and Mr. Prockiwi were to assume DuBard's position interest. Mr. Suzuki indicated that he and Mr. Prockiwi's position of co-general partners had been strengthened by making an advance of \$1,000 to Dr. Johnson to pay for a portion of the processing costs.

President Wexler indicated his understanding that the Agency legal staff is of the opinion that Messrs. Suzuki and Prockiwi had no vested right to the property and that there is no impediment to terminating all prior interest and awarding developer rights to Marion Johnson and Associates. Mr. Tilden Edwards, Agency General Counsel, confirmed this understanding. President Wexler thanked Mr. Suzuki for bringing his information forward.

Dr. Edwin Johnson addressed the Commissioners noting that in February of this year he met with Mr. DuBard who suggested that he consider Mr. Suzuki as his alternate. He stressed that Mr. Suzuki's written statement of agreement that he believed to have been made in this meeting bore no resemblance to the actual understandings reached, therefore, he had decided it would not be in the best interest of the project to proceed with Mr. Suzuki and his partner. As an example, the reasons he did not feel sufficient confidence to associate with Mr. Suzuki, Dr. Johnson pointed out that the amounts for taxes and insurance used by Mr. Suzuki were so low as to cause the project to go into default within six months

NEW BUSINESS (continued)

after completion. He did not believe that Mr. Suzuki and his partner were interested in the survival of the project but rather, in their own initial gain. Dr. Johnson also believed that Mr. Dubard had failed to live up to his agreement because he failed to inform Dr. Johnson that he was bringing in a consultant to assist him. Because Mr. Dubard has had some problems with HUD, he wanted to disassociate himself from this. The time for the commitment has now run out and Dr. Johnson urged that the previous designation be terminated and urged the Commissioners to approve of his team because they can move quickly into construction.

In response to Mr. Glickman's inquiry, Dr. Johnson identified the proposed general partners having a vested interest in the project as being Branagh, Inc., the builder of the project who owns the shares of the corporation; Russell, Telischak & Associates; and William A. Kellar. These interests will all be formed into M. J. Associates, Ltd. and will be the general partners. Dr. Johnson also noted that limited partners will be added later for the purpose of acquiring additional funds.

In response to Ms. Blomquist's inquiry, Dr. Johnson noted the project can proceed even if no limited partners are added. Even though the inflation of construction costs creates a problem of keeping the development within the statutory limits, within a month after the Agency's approval, HUD will issue a firm commitment on the project and that it will then move quickly into construction.

President Wexler inquired if there were renderings of the project and Dr. Johnson indicated that only a cross section of the building was available. This was brought forward and displayed by Thomas Hsieh, Architect.

Mr. Edwards responded to President Wexler's inquiry by indicating that he had reviewed Mr. Kellar's participation and is satisfied that his involvement does not present a conflict of interest in the project.

Mr. Ed Ong, Chief, Architecture Division, described the project, noting it was located on the east side of Fillmore Street and that these 100 units of housing were for the elderly with a ground level commercial to relate to the other commercial activity on Fillmore Street. President Wexler expressed concern that the development not violate the continuity of the Victorian buildings on either side of the project. Mr. Ong cited some changes which were made to blend it with the adjacent buildings. The scale of the project was reduced from the original 13 story proposal to its present height of 5 stories. The building's facade had also been broken by providing recesses to give the structure the appearance of three separate masses as opposed to a single block. Another method for reducing its scale was introduced by providing bay windows along Fillmore, Bush and Sutter Streets. Mr. Suttle, Area Director, Western Addition A-2, noted that the building also was stepped down to better relate it to the Victorians across the street. Mr. Ong also noted that one unit had been deleted and the building stepped back to bring it in line with an adjacent Victorian structure.

In response to President Wexler's concern regarding the lack of graphic representation of the project, Mr. Hamilton indicated that the Commissioners could approve the development entity and subsequently renderings could be provided which would more fully depict the buildings.

NEW BUSINESS (continued)

Mr. Hsieh expressed his belief that as a result of three years' work with WAPAC and other organizations, adjacent property owners and Agency staff, solutions to their concerns have been incorporated.

President Wexler expressed his belief that the best design had been submitted, but indicated that he was concerned about being able to clearly visualize the completed development. Mr. Lee suggested that the Commissioners adopt the proposed resolution and urge the staff to review the plans to conform with the concerns expressed by President Wexler.

Mr. Benny Stewart, Western Addition Project Area Committee, commented on the efforts to scale down the building from the original design for a 13-story building and the modifications to respond to the concerns about its relation to the Victorians. Mr. Stewart noted that this design has the support of WAPAC and Mr. Ong noted he is satisfied that the building as now planned would relate acceptably to the adjacent area.

Ms. Pauline Segal, owner of property adjacent the the proposed development expressed concern about the relation of the design. She noted that she had been concerned about the building for some time and she had requested information on the development. She indicated that she had now been told that plans are expensive and cannot be changed. She commended President Wexler and the Commissioners on their concern over the appearance of the development. Mr. Glickman noted that the Commissioners are concerned with aesthetics but since they are not experts in design, rely on the opinion of staff.

Ms. Segal commented on the major change from the original proposal but indicated that she is a member of a neighborhood group which does not favor the plan, although she indicated that she was not present as a representative of anyone.

Mary Rogers, Western Addition Project Area, commented that Ms. Segal does not live in the neighborhood and only owns property adjacent to the proposed development. She indicated that there had been a meeting between Ms. Segal, WAPAC and the Agency staff on June 9, 1977, when it appeared that Ms. Segal's concerns were resolved. Mrs. Rogers urged the Commissioners to proceed with the necessary approvals on the building before HUD withdraws its commitment.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 105-77 authorizing the execution of a Letter of Agreement with Pacific Gas and Electric Company, providing for utility undergrounding in the Western Addition Approved Project Area A-2.

This item authorizes expenditure of \$17,146.00 for a portion of the cost of undergrounding existing overhead utilities. Mr. Hamilton noted that a construction contract would be brought to the Commissioners at a later date. He indicated the location of the work on portions of Laguna and Buchanan Streets.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

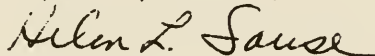
Minutes of a Regular Meeting, June 28, 1977

NEW BUSINESS (continued)

ADJOURMENT

It was moved by Mr. Kaplan, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen L. Sause". The signature is written in dark ink and is positioned above the printed name and title.

Helen L. Sause
Secretary



